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Trade and Industry

25 June 1976

News from the Departments of Industry·Trade·Prices & Consumer Protection

With this week's state visit to Britain of the French President, *Trade and Industry* publishes a special report on France, the market on your doorstep.

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Home News

National airports strategy discussed in consultative document

Steps that Britain could take towards the development of an overall airports strategy were outlined yesterday by the Department of Trade.

In a consultation document, 'Airport Strategy for Great Britain, Part 2: Regional Airports', published on 24 June, the Government examines the main regional airports in England, Scotland and Wales, how they might develop in the future within the framework of a national strategy, and suggests what the environmental and other implications might be.

The main points for discussion are:

There is a need for an overall national airports strategy, and this is now widely accepted;

The Government is anxious to encourage the greater use of regional airports, both to relieve pressures in the South East and to further regional industrial policies;

By 1990, Britain's regional airports could be handling 27.5 million passengers a year, more than double the 1975 total of 10.7 million;

Britain has an abundance of regional airports, and no new ones are needed;

In the future traffic should be concentrated at a limited number of regional airports but this does not necessarily mean that any of the existing airports should close;

There may be a case for the control of major regional airports – together with Luton – passing to the British Airports Authority;

Scope for diverting passengers whose origins and destinations are exclusively within the South East to airports outside the region, and particularly in the assisted areas, may be limited;

With the exception of Heathrow, aircraft noise can cause as much disturbance in the regions as it does in the south east, and by itself is not a factor which would justify diversion to the regions.

The document, which has been prepared jointly by the Department of Trade and the Department of the Environment and with the assistance of the Scottish and Welsh Offices, is intended as a basis for consultations about how the future growth of air traffic at airports in Great Britain outside the London area should be handled. It complements Part 1 of the document which deals with the London area airports and was published in November 1975.

'Fringe benefits' – changes in the Finance Bill

During the debate on the clauses dealing with benefits in kind in the 17 June's session of the Standing Committee on the Finance Bill, Robert Sheldon, Financial Secretary to the Treasury, made a general statement about the Government's attitude to these provisions; he dealt with three matters in particular.

Services. The Bill introduced, in Clause 54(4), new rules concerning the provision of services. These were intended to ensure that where an employee of a concern whose business it is to provide a service to the public, such as an air or rail travel, receives that service free or at a reduced rate, the taxable benefit would be based on the price the public would have to pay for that service. At present the taxable benefit is taken to be the cost to the employer of providing the service.

The Financial Secretary announced that, following wide-ranging consultations, the Government would be putting down an Amendment at Report Stage to delete this subclause. This Amendment would not affect the main structure of the proposals relating to the taxation of benefits in kind. He explained that services which come within Clause 54(4) can be distinguished from other benefits in kind in that there may be a considerable difference between the cost to the employer of supplying the service and the charge made for that service to a member of the public. The effect of Clause 54(4) might be to deter those concerned from using the service, resulting in a loss of income to the employer in respect of any charge which he made to the employee. There could also be administrative difficulties in determining the amount of the taxable benefit under Clause 54(4) and in enforcement. The effect of deleting this subclause will be to continue the present basis of taxing services.

Cars. The Financial Secretary also referred to consultations between the Government and all sides of industry on the proposals relating to cars. These consultations are continuing. Mr. Sheldon said that, while the Government were concerned to provide a simpler and more effective basis for taxing company cars, they were also concerned to ensure that the impact of the proposed system of scales would not damage the motor industry.

Directors of charities. Under the Bill, directors are subject to tax on benefits whatever the level of their earnings, whereas employees generally are covered only if their emoluments are £5,000 or more. The Financial Secretary pointed out that, whereas directors of companies clearly fall within the definition of 'director' in the Bill as being members of the body which manages the company's affairs, directors of charities may not do so. The treatment will depend upon the terms of the instrument governing the charity's operations; but in general the intention will be not to treat as directors those who serve charities and can show that they are in no position to arrange their own affairs or fix their own emoluments without outside control.

The aims and scope of Company Reports

Company Reports are the subject of a paper prepared by officials of the Department of Trade. The paper considers the purpose of Company Reports; what new topics should in future be reported on; the appropriate method of bringing these new topics for disclosure into regular practice; and whether all companies, regardless of their size or the nature of their business should be required to publish the same information.

'Aims and Scope of Company Reports' has been prepared as a basis for a consultative document. The opinions expressed do not necessarily represent those of HM Government. It is a preliminary draft only and at this stage is being circulated for initial comments to certain interested organisations. A full consultative document will be published later this year, probably as a Green Paper. Inquiries: Department of Trade, Room 645, Sanctuary Buildings, Great Smith Street, London, SW1P 3DB.

International investment and guidelines for multinationals

A three-part declaration on the role and responsibilities of multinational enterprises was made on 21 June by the British Government and other members of the Organisation for Economic Co-operation and Development (OECD) in Paris.

Guidelines covering both the responsibilities of the multinational companies and the responsibilities of governments in providing a stable framework within which companies can operate have been agreed and are set out in a declaration that governments:

- recommend to multinational enterprises voluntary guidelines for the conduct of their operations in OECD countries
- should give national treatment to foreign controlled enterprises operating in their countries
- will take into account the interests of other countries in designating incentives or disincentives for international direct investment.

The guidelines are intended to set standards for the conduct of multinational enterprises in the countries in which they operate. Both business and trade union interests including CBI and TUC have been consulted and have given their support.

OECD countries between them account for about four-fifths of international investment and are home countries for most of the world's major multinational enterprises.

Alan Williams, Minister of State, Department of Industry, welcomed the package as a major step forward by OECD countries. He said that by observing the standards of conduct set out in the guidelines, including the provision of more information about their structure and activities as a whole, multinational enterprises could do much to allay public concern.

Mr. Williams went on to say: 'I believe that the OECD package will help to improve international confidence and promote the mutual benefits from international investment for home and host countries. I also believe that they need to be reinforced by co-operation on a wider basis with other countries, particularly in the United Nations and the United Kingdom will continue to play an active part in this work.

'I commend the guidelines to UK companies. I am confident that they will lead the way in observing the standards set.'

Note

The full and definitive text of the declaration will be published shortly in a White Paper.

Edmund Dell commends new OECD Declaration

Edmund Dell, Secretary of State for Trade, welcomed the new OECD Declaration on International Investment and Multinational Enterprises.

In a statement to the OECD Ministerial Meeting in Paris on 21 June, Mr. Dell said:

'The United Kingdom regards the measures on investment and multinational enterprises as a major step forward by the OECD countries towards providing an effective international framework within which multinational companies can operate. The UK believes that this will do much to maintain confidence in multinational enterprises and in international investment. By showing that they live up to the guidelines and by providing a more comprehensive picture of their activities as a whole, companies will be able to do much to allay the concerns which are expressed about their activities. For our part, we are taking immediate steps to commend the guidelines to UK companies and are confident that they will observe the standards set.

An outline of planning in the United Kingdom
Department of the Environment

Habitat, Vancouver 1976, United Nations conference on human settlements.

Habitat Vancouver 1976 was called to seek solutions to some of the immense planning difficulties facing the world governments – such as the prospect of feeding, clothing and housing an extra 3,500 million people by the year 2000. This attractively illustrated and easy-to-read book is a compact digest of the United Kingdom report produced for the Habitat conference. It traces the history of urbanisation in Britain, from the sprawling squalor of the industrial revolution to the present-day conflict between expansion and the need for conservation. It is a useful guide to understanding and dealing with the problems of industrialisation.

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'The UK in particular welcomes the establishment of the inter-governmental consultation machinery, to provide a forum for keeping the guidelines under review in the light of experience and for ironing out any difficulties which may arise from conflicting requirements of individual governments.

'We in the UK continue to welcome inward investment which contributes to our future development and we already accord national treatment with few exceptions to foreign controlled companies established in the UK. We also welcome the opportunity to consult more closely with other members on the wider effects of measures specifically designed to affect international direct investment.'

Work starts on advance factories at Longbenton

Work has started on two advance factories for the Department of Industry on a site at Longbenton, Newcastle upon Tyne. One unit is 2,250m² (25,000 sq. ft) and the other 1,350m² (15,000 sq. ft).

A contract worth about £387,000, which includes some site development works, has been awarded to Balfour Beatty Construction Ltd. of Newcastle. Architects are Sir Frederick Snow and Partners also of Newcastle and the quantity surveyors are Davis Belfield and Everest of Gateshead.

The premises should be ready for occupation at the beginning of 1977. Inquiries regarding purchase or lease should be made to the Regional Director, Department of Industry, Northern Region, Wellbar House, Gallowgate, Newcastle upon Tyne NE1 4TR (tel. Newcastle (0632) 27575).

Grant for expansion of rail freight facilities at Baglan Bay

John Morris, Secretary of State for Wales, announced on 14 June that he has approved a 50 per cent grant to BP Chemicals International Ltd. towards the £220,000 cost of expanding the rail freight facilities at its Baglan Bay works, near Port Talbot.

A 50 per cent grant has also been awarded to Shell Chemicals UK Ltd., by the Minister of Transport, Dr. John Gilbert, towards the £611,000 cost of corresponding facilities at its Carrington works, near Manchester, where the propylene from Baglan Bay will be received.

Gerald Kaufman on the growth of telecommunications

In the face of all recent restraints and difficulties the Post Office telecommunications business has managed some considerable achievements according to Gerald Kaufman, Minister of State, Department of Industry, in a speech to the Post Office Engineering Union on 17 June.

'During the last 10 years,' he said, 'the number of telephone lines and the number of calls have both more than doubled. The UK now has more than 13 million exchange connections. A higher proportion of homes has a telephone in this country than in any other EEC country except Denmark and Luxembourg. The waiting list has been halved in the past 12 months, and by the end of the year it is expected that all subscribers will have access to STD.

'Telecommunications is a growth industry,' he continued. 'One could debate the precise point at which the demand for new telephone installations will flatten off, but the system will grow for a good many years yet. Traffic too will continue to build up year by year. During the next decade or so emphasis may well shift from coping with the massive increase in new subscribers towards measures to deal with increased traffic growth while at least maintaining service standards. This is what the introduction of the TXE range of exchanges is all about.

'It is greatly to POEU member's credit that, despite the inevitable problems of retraining and redeployment, they are right behind this modernisation programme. This is an excellent example of forward-looking trade union attitudes.'

Referring to the Post Office's profitability, Mr. Kaufman said: 'Soon after we came into office in 1974 we decided that nationalised industries should get back into the black as soon as possible . . . Now, as a result of our decision, we expect the Post Office as a whole to have made a comfortable surplus in the financial year just ended, and in the current year all businesses should be back in the black.

'This return to profitability will give us the opportunity to set up a long term strategy for telecommunications. I know that in recent times you have felt that governments have intervened too much in the Post Office's affairs. If we can get a strategy and clear objectives there should be less need for this in the future, and those involved in the business will have a clear framework for longer term planning.'

Post Office holds prices

The Post Office undertaking to hold most of its prices stable until 31 July was extended by the Chairman of the Post Office, Sir William Ryland, in a public statement to customers and staff on 15 June.

He said: 'Although the final audit for the year 1975-76 has not yet been completed, I can confirm that the telecommunications service and the postal service will do much better than was at one time thought possible.

'We have worked hard for this change in fortune. Much of what we have achieved is due to the progress made with the Government's counter inflation policy and especially to the operation of the £6 wage policy.

'This fact, coupled with good marketing and far reaching and continuing internal economies, make it possible to hold prices for letters up to 100g at their present rates for the remainder of the calendar year, and to hold all telecommunications prices unchanged until the end of March 1977.'

Simonbuild Ltd. of Stockport (a Simon Engineering company) were responsible for the design and construction of this cosmetics factory for Richards and Appleby Ltd., a subsidiary of Dunhill Ltd., which has been opened at Skelmersdale New Town. The contract for the complex comprised manufacturing areas, warehousing, amenities and offices and was valued at £500,000. It is already providing jobs for 150 and there are plans to increase the work force later this year.

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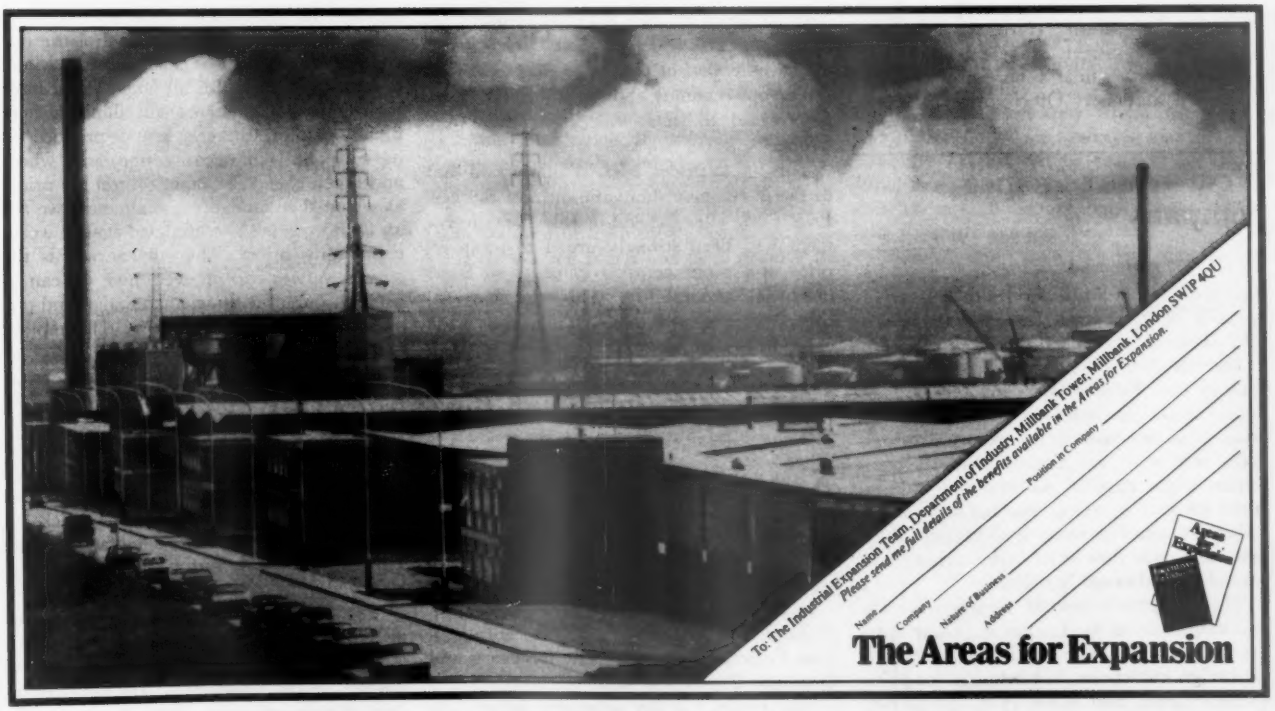
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Clearance of merger proposals

Shirley Williams, Secretary of State for Prices and Consumer Protection has decided, on the information at present before her, not to refer the following proposed mergers to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973:

British Debt Services Ltd./Credit Data Ltd.

Granada Group Ltd./Spectra Rentals Ltd.

Manchester Steel Ltd./Johnson and Nephew (Mill Street) Ltd.

E. J. Austin International Ltd. (in liquidation)

The final report of Inspectors appointed to investigate the affairs of E. J. Austin International Ltd. was published this week.

The Inspectors, John Lloyd Eley, QC, and Dennis Garrett, FCA, were appointed on 3 April 1970 under the provisions of Section 165(b) of the Companies Act 1948.

The Inspector's Final Report was submitted on 13 November 1972.

An Interim Report was submitted by the Inspectors on 16 July 1971 and published in February 1972, and a compulsory winding up order was made against the company on 11 December 1972. The liquidator is N. A. Armstrong of Messrs. Harry L. Price and Co., 51 Mosley Street, Manchester.

Copies of the final report are available from HM Stationery Office, price £2.25 net each.

New export finance company

The provision of a new service to exporters is the aim of the Export Import Finance Co. Ltd. (Eximco), launched this week.

Director Derrick Edwards told *Trade and Industry* that Eximco is designed to provide export finance in such a way that each export transaction becomes to the exporter an outright sale with an assured cash payment within seven days of confirmation of shipment without imposing any liability on the balance sheet. The result is to accelerate the exporters cash flow with every export sale, providing additional liquidity.

The company's second aim is to make maximum use of the foreign exchange market on behalf of each exporter client selling in foreign currencies, but without incurring exchange risks, and to reflect the major proportion of any benefit that might accrue as a reduction in exporters' costs.

'Further progress in the battle to beat inflation' – Shirley Williams

Britain's inflation rate has already been halved, Shirley Williams, Secretary of State for Prices and Consumer Protection and Paymaster General, said on 15 June, and, although there was still a long way to go, the progress so far showed that a policy freely adopted and strictly adhered to could, and did, get results.

Mrs. Williams, who was addressing the annual conference of the National Union of Hosiery and Knitwear Workers in Bournemouth, went on to emphasise that although gains had already been made it had always been recognised that 12 months of wage policy was not enough to break through to the rates in other industrial countries. Some of our major competitors had an inflation rate less than half that in the UK and we had to get down to a rate of inflation no higher than theirs – and preferably a bit lower. The proposed new policy for a further year of pay restraint was a tough one but if it worked the light should begin to show at the end of the tunnel.

It was hardly necessary, Mrs. Williams went on, to remind ourselves what a rate of inflation far in excess of our competitors' had meant. By undermining our competitiveness inflation had led to reduced sales, both at home and abroad, of British-made goods and therefore to the loss of job opportunities. It was not good enough to make a virtue out of necessity and believe that the fall in the value of the pound would do the job without further effort on our part. Certainly a cheap pound could help our export recover but it also meant that we were getting less than a full return for our own efforts and paying more than we need for our essential imports, including food and fuel. A weak currency was also a reflection of the value people abroad put on our economy and our future. We were determined to show them that they were wrong.

Turning to prices, Mrs. Williams said that in the discussions about the form of the new Price Code after the end of July the Government had been strongly urged to scrap all price and profit controls in order to boost industrial profitability. This the Government had declined to do. They had made clear that the present controls, over both product prices and company profit margins would continue for a further year, but changes were proposed in the Price Code for the purpose of giving greater encouragement to investment in new plant and in the replacement of existing plant. Mrs. Williams said she had to be as mindful of the pressures to force prices up as some of her critics were of the pressures to force prices down. The Government would not set at risk what the people of Britain have set themselves on achieving – the hard slog towards victory in the war against rising prices; but neither would they jeopardise our industrial future; they were determined to find a solution which would safeguard industrial expansion while restricting unreasonable price increases.

The Price Check Scheme, introduced last February and which runs for the six months to August had been an indisputable success, Mrs. Williams said. This scheme had anticipated success in the battle against inflation. Manufacturers and distributors had agreed to limit the rise in price of many items of importance to low family budgets – representing some 15-20 per cent of consumers expenditure – to 5 per cent over the six months. Reports of how the scheme was working showed than in 30 of the groups of products covered, there had been no price movement greater than ½p in the £; prices in six categories had actually fallen; in the four remaining groups prices had increased but within the 5 per cent ceiling. Although one product had been withdrawn because of unavoidable cost pressure, a number of companies had brought into the Price Check Scheme goods which were not in the original list including many lines of clothes and shoes.

But it was not possible to control the uncontrollable, Mrs. Williams warned. 'Many of our necessities of life are imported or have high import content – I am thinking here mainly of things that we cannot produce for ourselves like tea, cocoa, cotton, hard wheat and much else. We cannot control the prices at which they land because although we are an island, we are not insulated against world commodity prices. The only answer is the overall answer – to do everything we can to carry through the attack on inflation and put ourselves back on the road to full employment and rising living standards.'

Monopolies report on building bricks

The recommendation of the Monopolies and Mergers Commission in their report on the supply of building bricks has been accepted by Shirley Williams, Secretary of State for Prices and Consumer Protection.

In answer to a parliamentary question on 17 June from Michael Ward (Peterborough), John Fraser, Minister of State for Prices and Consumer Protection, said:

'The report is being published today. The commission has found that monopoly conditions, as defined in the legislation in force when the reference was made, prevail with respect to the supply of building bricks in Great Britain because one manufacturer, the London Brick Co. Ltd. (LBC), supplies at least one-third of the market.

'The commission has unanimously concluded that LBC's monopoly position does not operate and may not be expected to operate against the public interest. The commission has decided, with one member dissenting, that LBC's practice of overcharging, for transport, customers relatively close to its

works and undercharging those relatively distant from its works, is a thing done as a result of the monopoly conditions which operates, and may be expected to operate, against the public interest because it represents unfair competition and could lead to an inefficient use of national resources.

'No other things have been found to be done as a result of the monopoly which operate or may be expected to operate against the public interest but the commission has noted that LBC has the power to charge excessive prices and to make excessive profits and has pointed out that, if LBC's policies on these points were to change, there could be a case for a further monopoly reference.

'To remedy the adverse effects of LBC's pricing policy for transport, the commission has recommended, with one member dissenting, that LBC should, so far as is practicable, relate its transport charges to the customer to the cost of delivery to him. In so doing, however, the commission noted that LBC could implement certain proposals already under consideration for changing its present zonal pricing arrangements without detriment to the general principle of this recommendation and also that an exception could be made temporarily to the general principle to permit development of new markets like that associated with the proposed rail "Fletliner" service to North East England.

'My Rt. Hon. Friend accepts the commission's majority recommendation as being requisite for the purpose of remedying or preventing the adverse effects specified in the report and is therefore asking the Director-General of Fair Trading to consult LBC with a view to obtaining from them undertakings to take action to change their system of transport charges to customers to reflect, so far as practicable, the cost of delivery to them.

'My Rt. Hon. Friend is also asking the Director-General to discuss with LBC certain suggestions which the commission has made concerning the collection of bricks by customers, and on surcharges for deliveries in smaller than normal lorries.

'The implementation of the recommendation on transport charges would involve an increase in LBC's prices to customers relatively distant from its works, as well as decreases elsewhere, and this would be inconsistent with the Price Code in its present form. However, my predecessor announced on 31 March 1976 that it was intended to make alterations to the Price Code in July of this year which would permit the implementation of the Monopolies and Mergers Commission's very similar recommendations on zonal prices for plasterboard; and it is my intention that the amended Price Code should also permit such changes in LBC's prices as would seem necessary to implement satisfactorily the commission's recommendation on building bricks.

'In their report the commission have suggested also that the Government might consider the desirability of discussing with brickmakers the practicability of producing bricks for stock in times of recession. My Hon. Friend, the Minister for Housing and Construction, is making a separate statement on this point today.'

The reference was made on 1 October 1973 under Section 2 (1) of the Monopolies and Restrictive Practices (Inquiry and Control) Act 1948 as amended by the Restrictive Trade Practices Act 1956 and the Monopolies and Mergers Act 1965. The transitional provisions of the Fair Trading Act 1973 enable the report to be dealt with under that Act.

The report was submitted on 16 December 1975.

Copies of the report published as House of Commons Paper 474 are available from HMSO (price £1.35).

Priorities for metrication

There will be no short sharp change to metrication. Any changes in the area of consumer sales are going to take several years. This was made clear by John Fraser, Minister of State for Prices and Consumer Protection, speaking at the Institute of Grocery Distribution's Seminar on Metrication in London on 16 June.

Mr. Fraser also emphasised that the Weights and Measures Bill, which had its second reading on 16 June in the House of Lords, is an enabling measure which in itself makes nothing go metric. Mr. Fraser said, 'We have amended the original Bill to require the Secretary of State to have particular regard to the views of consumer interests when phasing out imperial units. In addition we are proposing to take powers relating to dual marking and the display of conversion charts.

'Under the Bill, Orders can, sector by sector, phase out the old imperial units but only after consultation with consumer organisations, only with far reaching safeguards for consumers and only with the affirmative support of both Houses of Parliament.

'My priority, subject to the views of Parliament and consumer interests, will be those ranges of goods now or likely to be sold in a confusing dual range of quantities or those areas where there is presently no prescribed range of quantities whatever.

'Where goods are sold now only in imperial measures as with fresh meat, vegetables and fruit, then I see much less of a priority to change over and I have told Parliament that that area would be the least of my priorities.'

Referring to the myth that consumers will be banned from asking for goods in feet and inches, Mr. Fraser said, 'We seem to love the word "ban" as it usually implies that something wicked is at hand. Well, I'm sorry to disappoint, but if someone wants to ask for six feet of carpet he risks nothing.'

Mr. Fraser reminded delegates that as partners in the European Community we are required not to discriminate against metric units after April 1978 and, if we are to protect the consumer from bewilderment, we must try in those areas where there may be two ranges of packs to standardise the ranges in which goods are sold. Mr. Fraser continued: 'I have already told Parliament that I wish to seek amendment and clarification of the draft directive which modifies the obligation assumed under the Accession Treaty that all imperial units should disappear by the end of 1979.'

Turning to the costs of going metric, Mr. Fraser said, 'Of course it is not possible to make any realistic estimate of the costs of the changeover – much will depend on the timing. Other countries which have converted are united in agreeing on the impossibility of estimating costs in advance. What is certain is that the once and for all costs of metrication are outweighed by the long term advantages.

'What we now have to worry about is, in

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some areas, the cost of not going metric and the cost of re-educating several million children who are taught mainly in metric which could be considerable. In other areas there is actually the cost of going imperial where machinery is made in metric and then converted back to imperial.'

From the continuing consultations with a wide range of interests that had taken place since March, the message was quite clear. Virtually all responsible consumer groups are united in pressing the Government to proceed as quickly as possible with the Bill. Mr. Fraser concluded: 'We consider that from all rational points of view the need to complete the changeover is overwhelming. At the moment we are carrying the unnecessary burden of running two systems at the same time – a burden which clearly we cannot afford and which no responsible Government can ignore.'

Shirley Williams, Secretary of State for Prices and Consumer Protection (right) with Madame Christiane Scrivener, her French counterpart who visited London earlier this month to learn about the progress of consumer protection in the UK. In the course of her stay she visited the Office of Fair Trading, a Small Claims Court, Westminster Consumer Protection Department as well as Camden Citizen's Advice Bureau and Consumer Advice Centre.

'North sea oil transforming economic prospects'

The economic prospects of the United Kingdom are already being transformed by rapidly increasing supplies of North Sea oil. Speaking on the anniversary of the first landing of North Sea oil in Britain, Dr. J. Dickson Mabon, Minister of State for Energy, told a meeting of the Oil Development Council in Edinburgh that the production build-up during the coming year will 'bring real relief from the debilitating burden of oil imports'.

'Total daily production has now passed 180,000 barrels,' he added.

Addressing this first meeting of the Council since being appointed Minister of State for Energy, Dr. Mabon said: 'The first tanker from the Hamilton Brothers' Argyll Field began unloading its valuable cargo in Britain just a year ago. Since then, the field has given us one million tons of oil and the North Sea, in total, some four million tons. Apart from Argyll, we have had regular shipments from Shell/Esso's Auk field since January and a rapidly increasing supply from BP's massive Forties field since last November. Total daily production has now passed 180,000 barrels.

'That four million tons of oil landed in the past year has a value of around £200 million. It has meant an important saving in our oil imports bill and aid for our balance of payments.

'What is important for our economy – and for our own confidence – is that the oil is arriving now. It is no longer a matter of looking forward to it with our fingers crossed. Three fields are onstream. We expect another four by the end of the year, and a further two in 1977. That will mean a total of nine fields on-stream in another 18 months – 9 out of our 14 commercial fields.

'The production build-up will be very rapid indeed during the coming year and with that build-up will come real relief from the debilitating burden of oil imports.

'I believe that those who have sold sterling short in recent times should take a long, cool and, above all, objective look at the rapid transformation of our economic prospects which is already coming about through our success in the North Sea.

'The United Kingdom has a success on its hands – and it is about time the world woke up to the fact.'

Patents endorsed 'Licences of Right'

Under Section 35 of the Patents Act 1949 the following patents were endorsed 'Licences of Right' on the date specified.

Number	Grantee	Subject-matter
25 May 1976		
1,304,742	Encon Electronics Ltd.	Improvements in or relating to pulse generating circuits
26 May 1976		
1,331,595	Standard Telephones and Cables Ltd.	Method of producing conductive tracks upon insulating substrates
1,348,229	Standard Telephones and Cables Ltd.	Improvements in or relating to electro acoustic transducer
1,355,800	Standard Telephones and Cables Ltd.	Cabinet construction
1,386,241	Standard Telephones and Cables Ltd.	Diamond synthesis
1,364,355	Ibis Engineers Ltd.	Improvements in garment and like pressing machines
1,364,938	Ibis Engineers Ltd.	Improvements in garment and like pressing machines
1,375,879	Ibis Engineers Ltd.	Improvements in garment and like pressing machines
1,297,485	International Standard Electric Corporation	Camera system
1,335,955	International Standard Electric Corporation	Ferroelectric pressure transducer
1,386,285	International Standard Electric Corporation	Checking device for radio-navigation interrogator
1,233,460	Rolls-Royce Motors Ltd.	Improvements in and relating to hydrostatic transmissions
1,268,485	Rolls-Royce Motors Ltd.	Improvements in or relating to internal combustion engines
1,284,904	Rolls-Royce Motors Ltd.	Drive means for the cooling fan of an internal combustion engine
1,321,969	Creed and Co. Ltd.	Printing telegraph mechanism
1,338,351	Creed and Co. Ltd.	Traverse control arrangement for print head drive
1,114,430	Solvay et Cie	Manufacture of chlorine
1,249,926	The British Iron and Steel Research Association	Wire drawing
1,304,774	Wilfred William Palmer	Improvements in tone control circuits
1,334,746	Agfa-Gevaert Aktiengesellschaft	Photographic layers which contain UV-absorbers
1,345,936	John Smith Ltd.	Improvements in and relating to fasteners
1,389,205	Flexitainers Ltd.	Improvements in or relating to dispensing tube assemblies
1,413,561	Raphael Lipski	Composite girder with pretensioned rigid reinforcement

Any person who claims that the patentee at the time of endorsement of any of the above patents was precluded by a contract in which claimant is interested from granting licences under the patents may apply for cancellation of the endorsement on Patent Form No. 45 within two months after the date of endorsement.

E. Armitage
Comptroller

Technology News

UK energy in terms of world resources

Energy consumption is closely related to gross domestic product (GDP) and both grew rapidly up to 1973 when the oil price explosion occurred. Between 1962-74 total world energy consumption rose by 82 per cent – by 66 per cent in OECD, the Western industrialised countries; by nearly 100 per cent in the Communist countries; and by more than 100 per cent in the developing countries, including the OPEC States. These figures are given in 'World Energy Resources' a paper issued by the Department of Energy for discussion at the National Energy Conference earlier this week.

But both energy consumption and gross domestic product fell slightly in the OECD countries between 1973-75. Of the increase in total world energy consumption between 1962-74, was met by oil and gas.

On the other hand consumption of solid fuel remained fairly steady between 1962-75 in OECD countries, although it rose in volume in the Communist countries and the non-OPEC developing countries.

It is now estimated that recoverable reserves of oil could last for more than 80 years at current rates of consumption. But this figure is halved if we assume an annual growth rate of 4 per cent, which is not too improbable since it is only half the historic growth rate for oil between 1962-73. The practical consequence of 4 per cent per annum growth might be declining oil production by the turn of the century.

Theoretically, recoverable gas reserves could last about 50 years at an annual growth rate of 4 per cent. Transport costs over long distances are much greater than for oil, and importing gas by sea to supplement indigenous production is costly and difficult.

Although coal reserves are fairly substantial, the wide range of possibilities for its recovery indicates uncertainties about the future economic climate and the prices of competing forms of energy. Coal can be converted into both gas and oil, but the processes are expensive. The concentration of reserves in the USA and USSR could pose environmental and transport problems if coal were to replace oil and play a major role in supplying energy on a world-wide scale.

In the case of uranium, figures suggest that, without the fast reactor (which can extract far more energy from uranium than thermal reactors) availability could become a serious constraint before the end of the century.

According to the Department of Energy paper nuclear fusion is unlikely to make any contribution until well into the 21st century. Other sources – solar, wind, wave, tidal and geothermal power – now seem unlikely to supply more than 10 per cent of world energy by the end of the century, though their long-term importance might be greater.

Predicting world demand is difficult; undoubtedly it will be affected by economic growth rates, prices levels and conservation policies. Nevertheless, historic relationships may not be a valid guide to the future.

But it must be assumed that there will be some continuing rise in demand. One forecast drawn from an International Energy Agency (IEA) study suggests that world consumption may grow at an annual rate of about 4½ per cent to 1985. The likely rise in energy demand suggests that the supply situation could be more difficult in subsequent years.

Energy prices will be affected by rates of growth in demand, the availability of new sources of both conventional and other fuels and political factors. This makes it impossible to produce any firm estimate but a significant increase can reasonably be expected by the end of the century.

Alternative energy sources – deciding on priorities

Given a successful conclusion to a vigorous programme of research and development, alternative energy sources could contribute the equivalent of 40 million tons of coal annually to United Kingdom energy supplies by the year 2000, Dr. Walter Marshall, Chief Scientist, Department of Energy, said last week.

Addressing the Royal Society of Arts' symposium, 'Renewable Sources of Energy', Dr. Marshall said: 'To put this in perspective, it is some three-and-a-half times the present contribution of nuclear energy and approaching that of natural gas, so, although it is not dominating, it is certainly very significant.'

Dr. Marshall said that Energy Technology Support Unit at Harwell had recently made for the Department a first assessment of the likely timing and size of the impact that renewable energy sources could make on United Kingdom energy supply.

Dr. Marshall said: 'Unfortunately, the economic resources of the UK may not be sufficiently large to sustain a large development programme on all the sources simultaneously and our current task is to determine priorities amongst them based on technical and economic assessment, on considerations of the effects on the environment, the size of the potential contribution and possible social changes which would be involved.

'Based upon the discussions at the Advisory Council for Research and Development for Fuel and Power (ACORD), the Department of Energy has already decided to embark upon research and development on three of the energy sources under consideration at this meeting, and Steering Committees have been set up to implement and monitor detailed programmes within the general guidelines recommended by ACORD. These programmes are on wave, solar and geothermal energy.

'In April, a two-year study at a cost of about £1 million of the feasibility of wave power was initiated. We have chosen to give some priority to this item on the grounds of the large size of its potential contribution to the UK energy supply in the long term.

'A programme on geothermal energy has been formulated: its major component will be the gathering and assessment of geophysical data over a period of three years for the geographical areas in the UK which are predicted to be the most promising for the recovery of geothermal energy. Negotiations are in hand for the possible inclusion of this work in the European Commission's programme. The Department of Energy will be publishing shortly the initial assessment study on geothermal energy made by the Energy Technology Support Unit, on which this research programme will be based.

'Thirdly, a research and development programme on the recovery of solar energy is being worked out with the Department of the Environment who have responsibilities and programmes for its application in the domestic sector. Important inputs to this planning are both a study by the Energy Technology Support Unit, to be published later in the year, and the recent report issued by the UK Section of the International Solar Energy Society.

'On tidal energy, the Department has initiated a study on the effect of the tidal regime on the potential power output from a barrage across the estuary of the River Severn, and is considering a further contract to be placed to study the major engineering problems of closure of the dam for such a barrage. These relatively small initial studies are regarded as essential before a firm decision for or against proceeding with a major feasibility study of a Severn barrage scheme can be made.

'ACORD has had a preliminary discussion of wind energy, but has not yet made recommendations about it.'

Parliament

Monday, 14 June

Food subsidies

Mrs. Sally Oppenheim (Gloucester) asked the Secretary of State for Prices and Consumer Protection: Pursuant to the written answer to the honourable Member for Glasgow, Cathcart on 27 May 1976, (Trade and Industry *4 June, page 594*) *precisely what effect this Government's food subsidy programme had on the Food Index during the period from 25 March to 15 October 1974?*

Mr. Maclennan answered 'On 15 October 1974, the Government's food subsidy programme is estimated to have saved a total of 5.3 points on the Food Index, of which 1.5 points related to a continuation of subsidies introduced before 25 March by the previous administration.'

Mr. Geoffrey Dodsworth (South West Hertfordshire) asked what was the total amount spent on food subsidies on an annual basis since the programme began, with estimated figures for expenditure on food subsidies over the next three years.

Mr. Maclennan told him that the cost of the general food subsidy programme since 1 April 1974 is as follows:

£ million

	Total	Expenditure under Prices Acts
1974/75	518	460
1975/76	572	540
1976/77 (estimates)	409	400

The difference between the two columns is accounted for by contributions from Feoga towards the general butter subsidy (about £12 million in 1974/75, £21 million in 1975/76 and £9 million in 1976/77) and also expenditure on milk borne on the vote of the Ministry of Agriculture Fisheries and Food under the Appropriate Acts (£46 million in 1974/75 and £10 million in 1975/76). Planned provision for later years was set out in the White Paper 'Public Expenditure to 1979/80' (Cmnd 6393).

The Price Code

Mr. Dodsworth asked for an estimate of the increased generation of exports, the furthering of investment and the improvement in working capital resulting from policies under the existing Price Code.

'While quantitative estimates are not possible,' said Mr. Maclennan, 'I am aware of cases where firms consider that price controls on home sales have led them to devote more resources to export. In claiming the investment relief which my rt. hon. Friend added to the Code in December 1974, firms have cited plans for nearly £2,000 million of capital expenditure, which the Price Commission is monitoring. Price controls reduce cash flows, and make it more difficult to improve the level of working capital from retained profits.'

Ministers at the Department of Industry

Secretary of State for Industry: Eric Varley
Ministers of State: Alan Williams
Gerald Kaufman
Parliamentary Under-Secretaries of State: Lord Melchett
Leslie Huckfield

Ministers at the Department of Trade

Secretary of State for Trade: Edmund Dell
Parliamentary Under-Secretaries of State: Michael Meacher
Stanley Clinton Davis

Ministers at the Department of Prices and Consumer Protection

Secretary of State for Prices and Consumer Protection: Shirley Williams
Minister of State: John Fraser
Parliamentary Under-Secretary of State: Robert Maclennan

Consumer shops

'What is the estimated total net cost of consumer shops in the current financial year?' asked Mr. Ralph Howell (North Norfolk).

Mr. Fraser said, 'The only estimate available of expenditure on consumer shops in the current financial year relates to projects for which my department is providing special grants as part of the attack on inflation. Estimated expenditure on grants for this purpose is £0.9 million, relating to projects for 34 consumer advice centres with shop-front access.'

Garages

Mr. Robert McCrindle (Brentwood and Ongar) asked about action to protect the consumer interest against garages refusing to give discounts on incomplete gallons of petrol.

'Failure by a garage to extend a discount to incomplete gallons of petrol is not in itself an offence,' said Mr. Fraser. 'However, if a garage which advertises a price discount does not make it clear to the customer that the discount will not be given on incomplete gallons of petrol, there may be an offence under the Trade Descriptions Act 1968. The Act is enforced by local weights and measures authorities, to whom complaints should be addressed.'

Consumer Credit Act

Mr. Ioan Evans (Aberdare) asked for information on the consequences for unlicensed trading by those covered by the first tranche of licencing under the Consumer Credit Act 1974.

Mr. Fraser replied: 'A person carrying on a business of debt-adjusting, debt-counselling, debt-collecting or the operation of a credit reference agency from 3 August 1976 without a licence from the Director General of Fair Trading will be committing an offence and liable to a fine or imprisonment or both. In addition, agreements for the services of such a person whilst unlicensed will be unenforceable unless the Director General has, after application, made an order that such agreements shall be treated as if the trader was licensed. Someone making a valid application for a licence before 3 August 1976 will be deemed to have been granted a licence continuing in force until a licence is granted or, if the application is refused, until the end of the appeal period.'

Production per employee in manufacturing industry

Mr. Dafydd Wigley (Caernarvon) asked: 'What are the latest figures for the value of production per employee in manufacturing industry in Wales, Scotland and England, respectively?'

Mr. Huckfield said: 'The latest year for which the information is available is 1972. It is estimated that in that year, net output per person employed in manufacturing industry was as follows:

Wales	£3,079
Scotland	£2,922
England	£2,921

'Little significance should be attached to the differences between the above figures since they reflect the differing industrial structures, and capital-intensities, of the separate countries and also incorporate a substantial estimation for census returns covering addresses in two or more of the countries.'

Submarine pipeline for offshore oil and gas fields

Mr. Peter Viggers (Gosport) asked whether the Secretary of State for Industry proposes to take steps to encourage the use of British underwater

pipes in the development of offshore oil and gas fields.

Mr. Kaufman replied, 'Submarine pipeline for the deep water areas where oil and gas developments are currently taking place in the North Sea must meet very stringent specifications. There is at present no UK source of supply for a product to this standard. The British Steel Corporation are keeping under review the economic case for enhancing their 44 inch pipe mill at Hartlepool to make pipe to the required specification taking into account the report on a possible gas-gathering pipeline system recently published by my rt. hon. Friend the Secretary of State for Energy.'

Tourists in North West

Mr. Paul B. Rose (Manchester, Blackley) asked what proportion of overseas tourists visited the North West Region during 1976.

'It is estimated that in 1973 about 4½ per cent of visitors to the United Kingdom visited the North West Region,' said Mr. Meacher. 'Figures for later years are not yet available.'

Footwear from Hong Kong

Mr. Terry Walker (Kingswood) asked how many pairs of shoes have been imported from Hong Kong over the last five years.

Mr. Meacher said that shoes are not separately distinguished in the Overseas Trade Statistics. He gave the following information for all types of footwear:

	Million Pairs
1971	38.3
1972	31.9
1973	27.1
1974	18.8
1975	18.3

Wide-bodied aircraft

Mr. Lewis Carter-Jones (Eccles) asked the Secretary of State for Trade what discussions British Caledonian had with his department before the purchase of the DC10 aircraft; what is the number and size of the contribution of British firms to this aircraft; and if he would advise British purchasers of wide-bodied aircraft to consider the British contribution.

Mr. Clinton Davis replied: 'The company informed my department that it needed to acquire wide-bodied aircraft quickly and that no British-engined aircraft was available which suited its network. It has announced that its agreement with the manufacturer contains an option to purchase further aircraft which would incorporate Rolls Royce engines. I am confident that other British airlines will give the closest attention to the desirability of supporting the British manufacturing industry when considering the purchase of wide-bodied aircraft. Detailed information about the British-manufactured content of the DC10s is not available.'

Imports of bulbs for motor vehicles

Mr. Edwin Wainwright (Dearne Valley) asked if the Secretary of State for Trade would take action to restrict the imports of bulbs for motor vehicles in cases where the imported price of such bulbs is no more than the cost of the materials required to manufacture the same kind of bulb in the UK.

Mr. Meacher answered: 'If the industry concerned can make an application for anti-dumping action supported by reasonable prima facie evidence of dumping which is causing or threatening material injury, my department is ready to consider taking the appropriate action. I understand that the motor vehicle lamp bulb industry is in the process of making such an application. But low priced imports are not necessarily dumped. Under our legislation dumping is considered to be taking place when, in the case of market economy country, the ex-factory price of the goods when sold domestically in the country of export is higher than the ex-factory price of the same goods when sold for export to the UK. In the case of a state trading country it is usual to compare the prices of goods coming from that country with the price of comparable goods coming into the UK from a third country.'

Company registrations

Several questions about the cost of processing returns of accounts by the Registrar of Companies were asked by Mr. John Loveridge (Havering, Upminster).

Mr. Clinton Davis answered: 'No separate figures are maintained for the costs of processing returns of accounts under the Companies Acts 1948 to 1967. As for provisions in the Companies (No. 2) Bill for expediting the filing of accounts, although it is not possible to isolate costs in the detail requested, the cost of dealing with the processing of returns of accounts is likely to average some 50-60p a year per company.'

Tuesday, 15 June

Export credit

Mr. Ian Wrigglesworth (Teeside, Thornaby) asked whether any new steps have been taken to control international export credit competition.

Mr. Edmund Dell answered. 'The authorities in a number of major trading nations have indicated their intention to change the terms on which they are prepared to provide official support for export credit of two years or more.

'I am therefore instructing the Export Credits Guarantee Department to apply new guidelines as from 1 July. Prior commitments will be unaffected.

'ECGD will be publishing the details. The new guidelines affect the arrangements which will normally apply to minimum pre-delivery payments, minimum rates of interest and maximum lengths of credit. The new guidelines are not binding: departures from them may be made, for example to match competition, and the intention is to review experience in mid-1977.

'The main effects will be to set minimum pre-delivery payments of 15 per cent of the contract value for sales to all markets; to raise the minimum interest rate for credits of from two to five years to 7¼ per cent per annum, except sales to the wealthier markets for which the minimum will be 7¾ per cent; and to set maximum lengths of credit varying between five and 10 years according to the relative financial strength of markets, whilst maintaining minimum interest rates on credits exceeding five years at, or above, the existing internationally-agreed levels. I would emphasise that these guidelines represent minimum and maximum positions: they are not to be regarded as norms. ECGD will continue to consider cases individually. Certain classes of goods which are the subject of existing arrangements are excluded.'

British Agricultural Export Council

Miss Joan Maynard (Sheffield, Brightside) asked whether the grant paid by the Government to the British Agricultural Export Council is used in any way to encourage the export of live animals.

'My department, on the advice of the British Overseas Trade Board, currently provides a grant to the British Agricultural Export Council for export promotion activities,' said Mr. Meacher. 'The Council's remit is to promote all agricultural exports including live animals for breeding purposes and, following the debate in the House on the O'Brien Report on 16 January 1975, for slaughter.'

Textile imports

Dr. Keith Hampson (Ripon) asked for a statement on the textile import surveillance scheme; and whether the Secretary of State for Trade is satisfied with the adequacy of the information flowing from it.

Mr. Meacher replied: 'The arrangements provide us with a considerable amount of data about textile imports which was not previously available. Unfortunately it has not so far been possible to produce detailed summaries of licences issued in respect of clothing and made-ups similar to those already produced for yarns and fabrics. I am therefore not yet satisfied. Nevertheless the data can be and has been used to examine the position on imports of particularly sensitive items which is one of the main purposes of the arrangements.'

Mr. Max Madden (Sowerby) asked how many import licences for the import of all categories of textiles have been issued to the latest available date; and to how many applicants.

Mr. Meacher said that from 1 January to 11 June 1976 83,176 licences were issued, but the number of applicants was not recorded.

Mr. Madden then asked: 'What delays have been experienced in the processing of import licences for textiles in all categories since the establishment of the import surveillance scheme; what is the average backlog in processing such data; and what is the present backlog?'

Mr. Meacher answered: 'The average time from receipt of a properly completed application to the dispatch of a licence is three days and, except in the few weeks immediately following the introduction of the arrangements, this has been maintained. Serious problems have been encountered in producing aggregated figures of some of the imports covered by these licences, but it is expected that these problems will be overcome in the near future.'

Textile Clothing Scheme

Mr. Madden asked for the names of all applications approved, and the total of financial assistance agreed, under the Textile Clothing Scheme; and if arrangements could be made for making such information available at regular intervals to the Clothing EDC.

Mr. Williams replied: 'We are considering extending to the Clothing Scheme the publication arrangements for selective assistance announced by the previous Secretary of State

for Industry on 31 July 1974, namely that payments and recipient companies would be announced at the end of the quarter in which they are made. There appear to be no grounds for treating the Clothing Scheme differently.'

Mr. Madden asked how many applications for assistance under the Textile Clothing Scheme have been received to date; how many have been approved; what is the total of assistance involved; how many applications are being considered; and how many have been refused.

Mr. Williams gave the following figures up to and including 11 June:

Formal applications received	111
Under consideration	59
Rejected or withdrawn	25
Approved	27
Assistance approved	£254,000

Regional development in Wales

Mr. Dafydd Wigley asked how much was spent on regional development grants in Wales for the last financial year.

Mr. Williams said that during the financial year 1975/76 regional development grants totalling £47,052,000 were paid in respect of assisted areas in Wales. Of this total £36,152,000 was for plant and machinery and £10,900,000 for buildings and works. Further details will be published shortly in the Annual Report for the year ended 31 March 1976.

Kearney and Trecker Marwin

Mr. R. B. Cant (Stoke on Trent Central) asked: 'Why the reconstruction of Kearney and Trecker Marwin, involving a write-off of £5 million of Government investment and a further injection of £1.9 million in loans and non-voting shares, was made without reference to the National Enterprise Board?'

Mr. Huckfield said: 'Under the proposed reconstruction, subject to the agreement of the shareholders, the authority of the House by Affirmative Resolution and the approval of the Court, Vickers Ltd., who have been managing the company under an Agreement of August 1974, are to take a controlling interest.

'The department will have redeemable preference shares in the company's reconstructed business and will accordingly keep a close watch on the company's progress.'

Wednesday 16 June

Poultry exports to EEC

Mr. Neil Marten (Banbury) asked: 'What was the value of the export trade of poultry meat to the EEC over the last convenient 12 months?'

'£828,000 in the 12 months ending April 1976,' said Mr. Meacher.

Investment in North Staffordshire

Mr. Hugh Fraser (Stafford and Stone) asked why the Secretary of State for Industry had requested the Staffordshire County Council's Development Association to desist from encouraging Common Market businesses to invest in North Staffordshire.

Mr. Williams replied: 'At a time when all public spending must be scrutinised for effectiveness, we were bound to give the council our opinion based on extensive experience of encouraging inward investment. The work of attracting investment can be expensive when carried out overseas and it takes a long time before results are achieved. In addition we have found that foreign industry approached to invest in Britain is normally concerned with issues and opportunities in Britain as a whole. Fragmented appeals from various parts of the country can often be confusing and counter-productive.'

Regional grants

'What information do companies have to supply in support of claims for relief or requests for grant?' asked Mr. David Steel (Roxburgh, Selkirk and Peebles).

Mr. Williams replied: 'I understand that the Hon. Member's question relates to Interest Relief Grant and Regional Development Grant. Applicants under Part II of the Industry Act 1972 for selective financial assistance, including interest relief grants, are required to provide sufficient information to enable the department concerned to assess the project's eligibility for assistance, its viability, and the expected employment, industrial and other benefits. The government's criteria for selective financial assistance were placed in the House of Commons Library on 12 January.

'Applicants for regional development grant must provide detailed information sufficient to satisfy the department that the capital expenditure towards which grant is sought meets the requirements of Part I of the Industry Act 1972. Copies of the application forms used for this purpose are in the Library.'

Mr. Steel also asked: 'What are the bases on which investment grants are calculated?'

Mr. Williams replied: 'I assume the Hon. Member has in mind regional development grants payable under Part I of the Industry Act 1972. These grants are available in all assisted areas (including intermediate areas) on a prescribed percentage of approved capital expenditure on new buildings and works on qualifying premises. In development and special development areas grant is also available on new machinery and plant for use in qualifying premises or in construction activities, and on mining works. The rates at which grant is payable are set out in the following table:

Per cent

Regional development grants on	Special development areas	Development areas	Intermediate areas
New buildings and works (other than mining works) and adaptations to existing buildings on qualifying premises	22	20	20
New machinery, plant on qualifying premises and mining works	22	20	Nil
New machinery and plant used on construction sites	20	20	Nil

'Further information about regional development grants is contained in the explanatory notes and forms provided for the use of applicants. Copies of these have been placed in the Library.'

Regional assistance in Wales

Mr. Dafydd Wigley (Caernarvon) asked how much was spent on regional assistance in Wales under Section 7 of the Industry Act for each year ending in July from 1972 to 1975.

Mr. Williams told him that offers of regional selective assistance and payments made were as follows:

	Offers		Payments
Year ending	No.	Value £'000	Value £'000
July 1973	62	4,685	1,996
July 1974	129	19,716	4,067
July 1975	132	12,100	7,796

'Payments arising from offers are staggered to match the progress of the projects concerned, whereas the offers represent the total sum that will have been paid after the completion of the projects,' he said.

Thursday, 17 June

Report on Trade Descriptions Act

Mr. Mike Thomas (Newcastle upon Tyne East) asked if the Secretary of State for Prices and Consumer Protection, had received the report from the Director General of Fair Trading regarding the Trade Descriptions Act.

Mrs. Williams said: 'The report reviewing the operation of the Trade Descriptions Act 1968 has been received from the Director General of Fair Trading and I am presently considering its contents. I am proposing to arrange for the report to be published as soon as possible.'

Industrial production

Mr. Michael Marshall (Arundel) asked for an estimate of the growth of industrial production for 1976; and the equivalent figures for the years 1970 to 1975.

Mr. Huckfield said 'The Financial Statement and Budget Report indicated that manufacturing output is expected to increase at an annual rate of 7 per cent between the second half of 1975 and the first half of 1977. The equivalent figures for the years 1970 to 1975 are as follows:'

1970	+0.6
1971	−0.3
1972	+2.7
1973	+8.3
1974	−2.8
1975	−5.9

Civil aircraft

Mr. Kenneth Warren (Hastings) asked what specific proposals for governmental support for the development and manufacture of civil aircraft have been received from the British Aircraft Corporation and from Hawker Siddeley Aviation Ltd., since 1 December 1975.

Mr. Huckfield answered: 'BAC have requested the Government to extend its underwriting of the BAC 1-11 to cover assembly of the sets of parts for five aircraft which are currently being produced in advance of orders. Hawker Siddeley Aviation have proposed further limited Government expenditure to keep open the option of a future relaunch of the HS146. The Government are currently considering these two proposals. BAC also submitted proposals for the production of further Concordes, the development of the existing aircraft and the provisioning of vendor spares, in connection with the Anglo-French Ministerial meeting which took place on 29 March.'

International Computers Ltd.

Mr. Michael Grylls (North West Surrey) asked how much public money has been committed altogether by the Government to International Computers Ltd.: (a) by means of loans and (b) by means of equity participation.

Mr. Huckfield said that under the Science and Technology Act, the Government has committed to ICL:

£40 million in general research and development support payable up to September 1976

£3.5 million in various cost-shared development contracts.

'There are provisions for repayment of these sums to my department out of sales or profits,' he added. 'Under the Computers Merger Project 1968 (The Industrial Expansion Act 1968). The Government paid:

£3.5 million for the purchase of shares (which were transferred to the National Enterprise Board on 24 May 1976)

£13.5 million as a grant towards research and development expenditure up to September 1971.

'In addition the NEB has acquired from the General Electric Co. Ltd. a 13.9 per cent shareholding in International Computers (Holdings) Ltd. for nearly £7 million.

Import surveillance

Mr. Max Madden asked if the Secretary of State for Trade would publish the import totals, by category, of items subject to his department's import surveillance scheme to the latest available date compared with available figures for imports of the same categories on an annual basis over the past five years.

Mr. Meacher answered, 'To extract the information by category, that is for each of the 70-80 headings involved, for the periods concerned would involve substantial costs. Figures of total imports by value which correspond broadly with the range of goods concerned, are published for textiles under Division 65 and for clothing under Division 84 in Table II of the monthly *Overseas Trade Statistics of the United Kingdom*, with cumulative figures for the year to date. A list of the textile and clothing goods subject to surveillance was published in issues of *Trade and Industry* for 28 March 1975 and 8 August 1975.'

Mr. Madden also asked: 'What is the country of origin of any computer equipment installed at offices of the Department of Trade, including that used to extract import surveillance licence data; what was the purchase cost of any such equipment; and what is the cost of operation on an annual basis, including the number and salaries of operating staff?'

'The only computer equipment installed in my department is that used to extract import surveillance licence data, its country of origin being the USA', said Mr. Meacher. 'Its purchase cost was £10,096. There are three operators each of whom also carries out other duties, total time spent on the computer being the equivalent of one full time operator at a current annual salary of £2,913. Other running costs are not readily ascertainable.'

Friday, 18 June

Airbus

Mr. Kenneth Warren (Hastings) asked for an assurance that HM's Government would not invest funds in the European airbus programme to pay for work already funded from sources in France and West Germany, and that any funds invested by HM's Government in the European airbus programme would be used solely to finance work in factories additional to the contracts on the programme already held by UK companies, or that an equivalent sum would be proivded from the programme funds to finance such extra work in UK factories.

'The question of any UK participation in future development of the European Airbus is being examined by the UK aircraft industry in conjunction with the Organising Committee for British Aerospace,' said Mr. Huckfield. 'There are currently no proposals before the Government for investment in the Airbus programme.'

Mr. Paul B. Rose (Manchester, Blackley) asked: 'What is the current rate of support for and production of the A300B?'

'The Government is not providing support for nor is it involved in production of the current A300B,' said Mr. Huckfield. 'These are matters for Airbus Industries. The UK industry, in conjunction with the Organising Committee for British Aerospace, is currently engaged in discussions with the existing Airbus partners about derivatives and the possibilities for UK participation. The Government is doing all it can to facilitate these discussions and has indicated to all concerned that it will look seriously and sympathetically at any properly supported proposals which might be put forward by the UK industry for participation, subject to being satisfied as to their economic viability and to the constraints on public expenditure.'

OECD guidelines for multinationals

Mr. Ian Wrigglesworth (Teesside, Thornaby) asked when the outcome of the Organisation for Economic Co-operation and Development's work on international investment and multi-national enterprises would be made public.

Mr. Varley said: 'OECD ministers are expected to adopt a declaration including guidelines for multinational enterprises and three associated decisions on 21 June. In the view of HMG this constitutes a major step forward by the OECD countries. I intend to publish the text in a White Paper as soon as possible after the OECD meeting and to commend the guidelines to UK companies.'

Aerospace exports

'What proportion of the British aerospace industry production was exported during 1975?' asked Mr. Paul B. Rose.

'The best available estimate is 56 per cent,' said Mr. Huckfield.

Aluminium

Mr. George Grant (Morpeth) asked: 'What was the value of production and consumption of aluminium in the UK in 1975?'

Mr. Williams answered: 'The estimated value of production and consumption of aluminium (primary and secondary unwrought aluminium and aluminium alloys) in the United Kingdom in 1975 is £173 million and £198 million respectively.'

EEC Regional Policy Fund

Mr. John Evans (Newton) asked how much finance the UK has received from the EEC Regional Policy Fund under all headings to date.

Mr. Williams told him that since the inception of the European Regional Development Fund in March 1975, the commission has committed itself to make contributions totalling £56.5 million towards the cost of approved projects in the UK.

Film quotas

Mrs. Gwyneth Dunwoody (Crewe) asked if the Secretary of State for Trade has decided the level of quota of British films to be shown by exhibitors during the year beginning 1 January 1977.

Mr. Meacher replied, 'The Cinematograph Films Council has recommended that there should be no change in the level of exhibitors quota of 30 per cent for first feature films and 25 per cent for supporting programme for the year beginning 1 January 1977. This advice has been accepted. Quota achievement has regularly exceeded this requirement level, averaging 41 per cent over the last three years.'

Trade with EEC

Mr. Hugh Jenkins (Wandsworth, Putney) asked the Secretary of State for Trade, to what factors he ascribed the increase in the UK deficit with the EEC from £538 million in 1972 to £2,153 million in 1976.

'The deterioration in our external trade deficit with the EEC since 1972 has been caused by many factors', said Mr. Meacher. 'By far the most important has been the increase over the period in the cost of our imports of foodstuffs from the Nine, largely as a result of switching of our sources of supply after entry to the EEC in 1973. There has also been an adverse movement in the balance of trade in semi- and finished manufactured goods. Although the deficit is still too large. there has been some reduction since the third quarter of last year as a strong growth in our exports to the EEC has developed.'

BOTB News

Clear signs of an export-led recovery

'There are now clear signs of an export-led recovery in our economy' Edmund Dell, Secretary of State for Trade, told the Liverpool Chamber of Commerce on 18 June.

'It has been particularly encouraging,' he said, 'that almost all of the momentum for this recovery has been coming from exports – indeed, over past months the volume of our exports has been growing at an annual rate that is well into double figures.

'The recovery in exports has been particularly strong in the developed markets – the EEC and North America. So we are already benefitting from the strong revival of economic growth in these countries and moving along the path to export led growth.

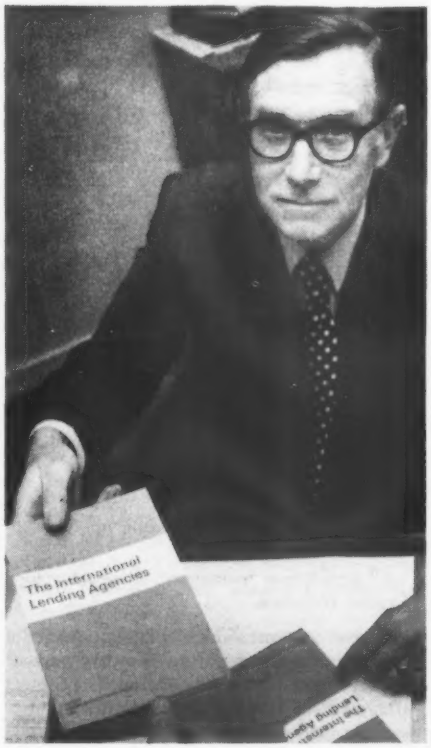
He made the point that business confidence about exports is particularly encouraging and that the Department of Trade survey of short term export prospects published last week indicated that the UK's largest exporting firms are expecting a continued strong increase in the volume of their exports. In 1976 as a whole companies see the volume of their exports being about 11 per cent higher than in 1975, with a value increase of the order of 25 to 30 per cent.

'Too often in the past we have missed out on the growth of world trade, as shortages of capacity in key sectors,' he said, 'and our relatively low level of productivity overall – have given us too many lengthened export order books and too small an increase in export deliveries.

'The investment and stockbuilding which would have improved and increased our productive capacity has come too late, after the peak has passed. The same bottlenecks and productive deficiencies have – with increased demand both at home and overseas – resulted in greatly increased imports.

'Thus in the past an apparently inevitable balance of payments deterioration has brought our economic expansion shuddering to a halt. This is by no means inevitable. Indeed the present exceptionally large amount of spare capacity plus a very noticeable improvement in industrial relations should help us to ensure we do not run up against capacity limitations. As – thus year and next – world trade grows by perhaps 10 per cent or more, we must take appropriate action to ensure we do not run prematurely into capacity constraints.'

International lending agencies: new booklet



Chief executive of BOTB, Mr. S. D. Wilks, has authorised the issue of a new reference book for exporters. Entitled 'The International Lending Agencies' the booklet is a guide for both manufacturers and consultants to the many international agencies providing finance for development projects throughout the world. In his foreword to the booklet Mr. Wilks points out the extent of the business opportunities generated by a range of agencies, some little known, others household names. Single copies of the booklet can be obtained free of charge, simply by sending a self-addressed, adhesive label to the export sections of the nearest Department of Industry Regional Office, or from Projects Sub-Section, General Export Services Branch, Export House, 50 Ludgate Hill, London EC4M 7HU.

Export conference in the West Midlands

Exports and how to export successfully will be the theme of a major export dynamics conference taking place in the West Midlands on 30 June which will be attended by Admiral of the Fleet, Earl Mountbatten of Burma, KG.

The conference, in the Metropole Hotel at the National Exhibition Centre, is part of a two-day event on 29-30 June being organised by the BOTB and led by its chairman, Sir Frederick Catherwood. This is the first export dynamics conference to be held in Export Year which started on 1 June.

On the first day the chairman, BOTB members James Hugh Neill and Bernard Scott and BOTB chief executive, Jim Wilks will between them visit five firms in the area – Edward and Jones Ltd., of Meir, Stoke-on-Trent; Durapipe Ltd., of Norton Canes, Cannock, Staffordshire; Helix International, of Stourbridge, Worcestershire; GKN Forgings Ltd., of Bromsgrove, West Midlands; and F. W. McConnel Ltd., of Ludlow, Shropshire.

On the second day, after addressing the delegates at the conference lunch, Earl Mountbatten, will visit GEC Telecommunications Ltd., of Coventry.

Detailed case histories describing the exporting techniques of four firms – Edward and Jones, Durapipe, Helix International and GKN Forgings – have been prepared by Dr. H. G. Hunt, director of Undergraduate Studies, University of Aston. The case histories will be presented to the conference in audio-visual form by Professor Robert McKenzie, TV personality and Professor of Sociology, London School of Economics and Political Science with the support of Sir Frederick Catherwood and representatives of the case study firms.

About 300 representatives of management and shop floor have been invited to attend the conference – one of a series of similar events being organised throughout the country by the BOTB to provide a forum for discussion of common export problems and techniques.

COI appoints new overseas Controller

Ray Fleming who was appointed Controller (Overseas) at the Central Office of Information on 16 June. His new responsibilities cover the co-ordination and control of the services provided by COI, in all publicity media, to make Britain's views and policies known abroad, and in particular to promote overseas trade. The COI's overseas operation, of which he will be in charge, provides, chiefly through British Embassies and High Commissions, on behalf of the Foreign and Commonwealth Office and the BOTB, press news and features, radio services, film and television material, photographs, reference documents, publications and design services, exhibitions and arranges tours for FCO sponsored visitors to Britain.

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Exhibitions and Fairs

Britain's oil-men go out west

From J. A. Cole-Morgan, British Overseas Trade Board: With experience gained in the North Sea and worldwide, a number of British manufacturers of equipment for oil and gas extraction were last week carving for themselves a corner of Canada's rapidly growing oil and gas industry. Nine British companies took part in a joint venture exhibition, sponsored by the Council of British Manufacturers of Petroleum Equipment and the BOTB, at the 10th National Petroleum Show from 8-11 June in Calgary, western Canada's swinging city.

This biennial event with over 500 exhibitors is the largest industrial exhibition in western Canada and the major show-case for technological advances in the oil and gas industry. During the week about 30,000 people arrived in the city in the largest motor-cars in the world. Many had come thousands of miles, from the frozen north west territories and the southern states of America and some from just around the city where oil was first discovered in commercial quantities in 1947.

For a week, Calgary resounded to the loud voices of large men, many of whom are accustomed to living under the harshest possible conditions. At the show a visitor's eye is caught by sleeping bags more than a foot thick, designed to protect the occupant against 80 degrees of frost and large enough to allow the occupant to dress and undress inside.

The oil-men come to look at everything from computers to enormous tractors with flotation tyres, from diving suits like Britain's Big Jim, an atmospheric diving suit which enables divers to work at depths beyond the conventional range, to helicopters and mini-submarines. They saw also film of the 160 ton roll-on, roll-off hovercraft ferries built by Mackley Ace Ltd. of Southampton, which have been used successfully in ferrying equipment across the Yukon River in connection with the building of the trans-Alaskan pipeline. The total value of equipment on display was estimated to be in excess of £10 million.

The oil-men also come to Calgary to talk and the major topic of conversation this year was how to get more oil out of the rock and to leave less behind. Systems used at present only recover some 25 per cent of the oil contained in the rock. Enhancing the amount recovered is therefore important especially when one is conscious that at today's rate of burning energy, the world will consume in the next 25 years as much as has been used by man in the whole of recorded history.

It is not surprising therefore, that the Canadian Government is pressing the oil companies to increase their investment in frontier exploration. In Alberta the amount of drilling undertaken has hit record levels this year as Canada moves out of its general recession. Plans for a natural gas pipeline from the Arctic are being worked out and this and other pipelines offer wonderful opportunities for British manufacturers several of whom are very experienced in handling the large diameter pipes which are likely to be used.

Flanges for these very large pipes figured prominently on the British joint venture stand and attracted a lot of interest as the Canadians don't have forging facilities capable of making the bigger flanges likely to be required. John Brereton and Co. Ltd. of Manchester, exhibiting at Calgary for the first time, had one 42 in flange on show which weighed over a ton, and Welding Units Ltd. of Liverpool, who exhibited at the 1974 show, and who were there this year looking for distributors or agents, have been building a new plant to meet the expected export demand.

A model of a machine made by Land and Marine Engineering for cutting a trench for pipelines in the sea floor, which won the special technological innovation award at the recent Offshore Technology Conference in Houston, attracted a lot of interest as it could have application in the laying of pipelines in the polar gas project.

A new door for scraper traps which are part of the cleaning system in pipelines, was shown by Clark Chapman Ltd. It can be opened by one man and, at a price of about £2,500 each, could have great potential, as such traps are needed at about every 40 miles in an oil pipeline.

Among the other first-time exhibitors at the show was Metrotect of Kent, the largest manufacturer of coal tar enamels in the world with about 25 per cent of the world market. Coal tar enamels are used in the protection of pipelines from corrosion, and the massive pipeline projects being planned offer the company a very big potential market.

Flexibox Ltd. of Manchester – the second largest seal makers in the world and the largest dry coupling manufacturers – were also at the show for the first time. The company is already doing business in Canada but was hoping to make contact with agents and distributors in western Canada.

Drilling and Services (UK), part of Unicorn Industries, were showing a number of diamond headed drill bits costing about £5,000 or more each. The company had taken a stand in order to assess the market for these bits in Canada and to meet possible customers from further afield.

Safety procedures are important in the oil industry and Canada is an extremely safety-conscious nation. Gas detection equipment capable of measuring levels of flammable and toxic gases and triggering alarms exhibited by J. and S. Sieger of Bournemouth, and already sold worldwide, was of interest to many visitors.

For some of the exhibitors, the end of the show on 11 June was only the beginning of their Canadian sales drive. Many British exhibitors were staying on to visit potential customers in their offices.

Framed by a 42 in flange weighing more than a ton for use in oil pipe lines, Mr. Kevin Hogan (right), director and general manager of John Brereton Ltd. of Manchester talks to a Canadian businessman on the company's stand in Calgary.

Significant market for printing and packaging in Australia

From Roger Brown, Vice-Consul (Commercial), British Consulate-General, Sydney: Five hundred years ago this year, printing was first introduced into Britain. Packaging, of course, came a good deal later, but the influence which both industries now have on the lives of all people, everywhere, is enormous.

'Take away printing and packaging' said a speaker at the Sydney opening of Pakprint '76, the largest exhibition of its kind in the southern hemisphere, 'and the distribution of the world's information and resources would become impossible.' And that, no doubt, together with the fact that printing and packaging are among Australia's largest industries, with a total annual turnover of more than £2,000 million, is why this exhibition, held every six years, was opened by the Governor-General, Sir John Kerr, comprised almost 100 exhibitors in three pavilions totalling 90,000 sq. ft and attracted more than 30,000 trade and general visitors from 31 May-4 June.

In the second of the pavilions, on a cheerful stand decked out in red, white and blue, seven British companies took part in a joint venture sponsored by the BOTB and the British Printing Machinery Association. Between them they represented a wide range of activities in both the printing and allied trades and the packaging industry, and they had assembled on the stand machinery and products of all types, from the most advanced electronic on-press controls and packaging and weighing machinery to simple but efficient padding presses, adhesives and wrapping film.

Not long before the exhibition opened it became known that two of the British exhibitors had won the Queen's Award for Export Achievement, 1976. For one of these companies, Crosfield Electronics of London, it was the third time in recent years that they have won the award. Crosfield's stand at Pakprint, with its display of advanced on-press controls and scanning equipment attracted a constant stream of visitors and the staff on the stand were kept busy throughout the five days of the exhibition answering a great many technical inquiries about the machines on show and other, even more sophisticated equipment which is now in production and will shortly become ready for shipment.

The market for British printing and packaging machinery in Australia is a significant one – about £6 million worth of equipment in 1975 – and the interest shown in British equipment at Pakprint '76 confirmed that so long as our manufacturers continue to pay close attention to quality, price and active salesmanship backed up by swift and efficient after-sales service, there is no reason why it should not continue to grow surely and steadily.

Cairo international fair

At next year's Cairo International Fair, on 7-26 March, the Department of Trade will organise a British Pavilion, provided there is sufficient response from industry. While the fair is a general one, product areas of promise are thought to be agricultural drainage equipment, agricultural machinery, building machinery, electrical equipment, crop spraying equipment, hotel and catering equipment, machine tools, port handling equipment, power units, sewage and water purification equipment, spinning and weaving equipment, tractors.

The UK/Egypt Economic, Industrial and Technological Co-operation Agreement and the Investment Protection Agreement have provided already a framework in which Egyptian needs can be matched to the skills and technology of the UK, whilst the re-opened Suez Canal has already given a further boost to Egypt's economic position.

UK/Egypt trade has been on a steadily rising trend in recent years and UK exports in 1974 at £52.4 million showed a 93 per cent increase over the previous year. Exports for 1975 at £107.7 million show a 105 per cent increase over 1974.

Further details including costs and an application form for space are available from P. G. H. Robinson, Room 115, Hillgate House, 26 Old Bailey, London EC4M 7HU, tel. 01-248 5757, ext. 7314.

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Trade Information

First ministerial meeting of Indo-British Economic Committee

Mr. Edmund Dell, Secretary of State for Trade, and Prof. D. P. Chattopadhyaya, India's Minister of State for Commerce, jointly chaired the first ministerial meeting of the Indo-British Economic Committee in London on 16 and 17 June.

The committee was set up when the previous Secretary of State for Trade, Peter Shore, visited India in January this year. It reviewed preparatory work on bilateral economic relations, industrial and technological co-operation and investment issues.

Members of the committee comprise Ministers, officials, businessmen and industrialists from both countries.

UK/INDIA TRADE £ million

	1974	1975	1976 Jan.-Apr.
UK imports (cif)	203	237	106
UK exports (fob)	127	164	58

Edmund Dell, Secretary of State for Trade, with Prof. D. P. Chattopadhyaya, India's Minister of State for Commerce, who jointly chaired the first ministerial meeting of the Indo-British Economic Committee.

Communique

The following joint communique was issued on 18 June at the conclusion of the first meeting of the Indo-British Economic Committee.

The Indo-British Economic Committee held its first meeting in London on 16 and 17 June. The Indian delegation was led by the Hon. Professor D. P. Chattopadhyaya, Minister of State for Commerce, and the British delegation by the Rt. Hon. Edmund Dell, Secretary of State for Trade.

Discussions on the first day were concerned with opportunities for the promotion of exports in both directions, and with questions of industrial co-operation including investment. A number of leading industrialists from the public and private sectors participated on each side. The committee reviewed a variety of industries, including coal, steel, iron ore, machine tools, scientific instruments, castings and forgings and automobile ancillary equipment where improved contacts between Indian and British companies were already being developed, or which provided the possibility of further collaboration and long term supply arrangements based on the principles of mutual benefit and comparative advantage.

The Indian delegation drew attention to the ability of their industry and consultants and construction companies to offer a wide range of competitive products and services, especially by way of project construction, for sale in Britain or, in collaboration with British companies, in third markets.

It was agreed that plans should be made for mounting in Britain at an early stage, perhaps early in 1977, a symposium designed to make the products and project construction services which Indian industry and construction companies have to offer more widely known.

The Indian delegation reaffirmed that new foreign investment, including British investment, in priority and high technology sectors and for export oriented projects was welcome in India. The British delegation welcomed this assurance, and drew attention to a number of specific problems affecting individual companies and individuals, which would be pursued further in discussion between the two sides.

On the second day the committee reviewed a number of issues currently under discussion in multilateral bodies, including the outcome of the recent Unctad conference in Nairobi, the Gatt multilateral tariff negotiations, commodity policy, import restrictions on Indian jute and other textiles, and Indian export restrictions on raw and semi-processed leathers. Both sides agreed to keep in touch during the negotiations of the new EEC/India agreement on jute products to facilitate arrangements for a rational distribution of import quotas and in this context to consider further the future of import restrictions; and that they will together keep under review the continued implementation of the Joint Declaration of Intent. In developing their policies both sides would bear in mind the principles agreed at Unctad IV.

The British delegation drew attention to the present British deficit in trade with India, and expressed the hope that ways could be found of rectifying this through trade expansion. The Indian delegation expressed the hope that co-operation by way of long term supply arrangements and collaboration for supplies to and project construction in third countries could expand trade possibilities on both sides.

It was agreed that the committee should meet again at official level in New Delhi later this year, with a view to a further ministerial meeting subsequently.

UK/Hungarian joint commission

The fourth meeting of the UK/Hungarian joint commission took place in London between 14 and 18 June 1976, to review progress in industrial and technological co-operation. The British delegation was led by Mr. Peter Preston, Deputy Secretary in the Department of Trade and included industrialists, representing the interests of British industry, and the Eastern European Trade Council. The Hungarian delegation was led by Dr. B. Szalai, State Secretary in the Ministry of Foreign Trade.

In the course of their very friendly and constructive discussions, both delegations noted that the considerable increase in bilateral trade achieved in 1974 had not been maintained in 1975, largely due

to unfavourable changes in the world economic situation. It was agreed that a more intensive and better balanced expansion of trade would be mutually advantageous and that their respective commercial organisations should be encouraged to develop their activities to that end.

The joint commission also surveyed the development of industrial co-operation and noted that for co-operation to be successful there must be mutual commercial and technical benefit to the parties involved. Both parties considered that encouragement should also be given to the possibility of realising co-operation in third markets, particularly in the building and construction industry.

The fact that a large proportion of the more recently concluded co-operation contracts was in the developed area of engineering was considered satisfactory but it was felt that greater progress was also desirable in other areas, such as that of light industry. Areas thought to provide the best prospects for future development of co-operation were the telecommunication and electrical industry; the foundry industry; food processing; the metallurgical industry; mining machinery; the vehicle and automotive industry; and the chemical industry.

The Hungarian Chamber of Commerce and the East European Trade Council reported to the joint commission on the outcome of the meeting of business representatives which, for the first time, in accordance with the arrangements agreed at the Third Joint Commission, had preceded the present meeting. The discussions that took place identified a number of very promising projects which are to be pursued in the course of the coming weeks. It was generally agreed that the arrangements had worked well and should be continued in 1977.

A significant point to emerge during the discussions was that the Hungarian delegation considered that British companies should be encouraged to initiate formative proposals for co-operation and to seek to foster their contacts with the appropriate Hungarian organisations at the earliest possible stage of industrial development.

Attention was also given to the possibility of extending co-operation in agricultural production and food processing. The Hungarian delegation expressed their interest in receiving proposals from British companies which should, whenever practicable, include provision for the marketing of the produce.

Developments in co-operation in the field of science and technology were also examined and were felt to have been satisfactory. Exchanges between laboratories in the two countries recently had not been so numerous as in previous years and it was considered that contacts should be broadened to include corrosion studies, water purification, solid state physics, automation, nuclear physics, transport technology, mining and the chemistry of pesticides. Other possible areas of interest were agricultural and medical research. It was generally accepted that the subjects selected for such contacts should be intended to lead to subsequent industrial co-operation.

Mr. B. Szalai and Mr. P. Preston mark the successful outcome of the UK/Hungarian Joint Commission.

UK and Qatar sign new co-operation agreement

Michael Meacher, Parliamentary Under-Secretary of State for Trade, visited Qatar on 19 June to sign a new co-operation agreement aimed at strengthening economic and commercial ties between the two countries.

The agreement was also signed by H. E. Shaikh Abdul Aziz bin Khalifa al Thani, Qatar's Minister of Finance and Petroleum.

The most important provision of the agreement is the setting up of a joint committee which will reaffirm the UK's desire to play a full part in Qatar's development through economic co-operation.

The committee will examine progress in collaboration and stimulate the involvement of British firms in Qatari development projects. Two other important functions will be assistance in the training of personnel and study of the transfer of technology.

Mr. Meacher also called on the Amir H. E. Shaikh Khalifa bin Hamed al-Thami and met members of the local and British business community.

Visits by British Overseas Commercial Officers

The following Overseas Commercial Officers are expected to be in this country shortly, when they will be available for discussions.

Germany, Federal Republic of
P. Donovan, Consul (Commercial) in Munich since September 1974.
Available: October 1976

Malaysia
D. T. Taylor, First Secretary (Commercial) in Kuala Lumpur since March 1975.
Available: October 1976

British firms and organisations, other than those in Northern Ireland, Scotland, Wales and in the areas covered by the Department of Trade Offices for the Eastern Region and the London and South Eastern Region, who wish to meet the officers to discuss specific export problems are asked to write for appointment to the appropriate Department of Industry Regional Director (Exports) stating the nature of the problems and commodities involved. Those firms and organisations in the London-based regions mentioned above (together with those in other regions who would prefer, or who would be prepared if necessary to meet the officers for an interview in London) should write to Tours Section, Overseas Visitors Bureau, Department of Trade, Room G60, Export House, 50 Ludgate Hill, London EC4M 7HU. Firms and organisations who wish to meet the officers in Northern Ireland, Wales and Scotland should contact the Export Branch of the Department of Commerce, Belfast, Welsh Office, Cardiff and the Scottish Office Glasgow.

Because commercial officers often have only limited time at their disposal it may not always be possible to fit everyone in. Firms are reminded that the Export Services and Promotions Division of the Department of Trade, Export House, 50 Ludgate Hill, London EC4M 7HU who are in close touch with all overseas commercial officers can very often supply advice, or the information that applicants hoped to obtain at the interview. Outside London, the Regional Offices of the Department of Industry, Welsh and Scottish Offices and the Department of Commerce Belfast, can also help.

Hints to business men booklets

Revised editions of the booklets on Iraq, Peru, and the United States of America (including information on the Commonwealth of Puerto Rico and the US Virgin Islands), have been published in the 'Hints to business men' series. British business men who intend visiting these countries on export business can obtain copies of the booklets from Export Services and Promotions Division, Department of Trade, Room DO5, Export House, 50 Ludgate Hill, London EC4M 7HU, tel 01-248 5757 ext. 7146, or any Regional Office of the Departments of Trade and Industry.

Advertisements are accepted for all booklets in the series which covers over 100 countries. Inquiries about advertising should be addressed to Cheiron Press Ltd., 8/10 Parkway, London NW1 7AD, tel. 01-267 1285.

Mexico's new Industrial Property Law

A translation of the above law is available for consultation in the Chancery House Annex of the Science Reference Library (Holborn Branch), Chancery House, Chancery Lane, London WC2A 1AY. The main features of the law were outlined in *Trade and Industry* of 19 March, page 807.

Revised export credit guide-lines

New guidelines for export credits were announced in Parliament on 15 June by Edmund Dell, Secretary of State for Trade (see page 775). Mr. Dell said that there would be certain changes in export credit arrangements by the United Kingdom having regard to changes which certain other major trading nations have announced that they intend to make in this field. The revised arrangements involve a set of guidelines for officially supported export credit on terms of two years or more, insured by the Export Credits Guarantee Department.

For the purpose of the guidelines, buying countries are divided into three broad categories, on the basis, essentially, of their per capita income. For sales to all countries the minimum 'cash' payments from the buyer by delivery will be 15 per cent of the contract price. For credit of two to five years (inclusive) the minimum interest rate will be 7.25 per cent for all but the wealthiest category, for which it will be 7.75 per cent. (These rates involve an increase in the 7 per cent rate currently applicable to most business in this category. Some other countries applying the new guidelines will be involved in larger increases to give effect to the new minima.) For credit of more than five years – for which rates will continue to be set case by case – the minimum rates will be 8 per cent for the wealthiest countries and 7.75 per cent and 7.5 per cent for those in the other two groups; maximum lengths of credit for these groups will normally be five years, eight-and-a-half years and 10 years respectively. The guidelines may be waived in exceptional cases, for example to match more generous terms offered by competitors. Sales of ships, ground satellite stations, aircraft (including helicopters) and nuclear power plant will remain subject to the existing arrangements for such goods.

The new guidelines will apply to new inquiries as from 1 July. Existing commitments in respect of business in negotiation are unaffected.

The changes represent a modest but useful advance in the control of self-defeating credit competition already exercised through the various consultation procedures operated by members of the Berne Union and the OECD. For the UK the changes will not be great. This reflects the fact that in general the UK has in the past offered facilities which were towards the middle of the range of interest rates and lengths of credit offered internationally.

ECGD statutory return: commitments under the Export Guarantees Act 1975

1 During the quarter ending 31 March 1976 the aggregate amount of guarantees given amounted to

a £1,149 million under Section 1

b £380 million under Section 2(1)

c £9.7 million under Section 5

Note: These are the gross values of guarantees issued during the quarter and do not take account of previous liabilities which have now expired.

Total amounts recorded against ECGD's statutory limit

2 The total sums recorded against ECGD's statutory limit of £15,200 million set in Section 6(1) of the 1975 Act, as amended by the Export Guarantees (Limit on Commitments) Order 1975 No. 1854, amounted on 31 March 1976 to £13,666 million.

3 This total is made up as follows:

a liabilities in respect of guarantees given under Section 1 £8,534 million.

b liabilities in respect of guarantees under Section 2(1) £3,461 million.

c amount of principal monies outstanding under Section 2(2) £ nil.

d amount of principal monies outstanding under Section 3(1) £1,628 million.

e sums paid for securities acquired and for the time being held under Section 4 £200 million.

f liabilities in respect of arrangements made under Section 5 £9.7 million.

Notes:

1 ECGD may sometimes incur liabilities in advance of guarantees being formally issued and thus some business may be included in 2 before being shown in 1.

2 Some guarantees given to Banks are not included in the total liability figure (2 above) as they have already been accounted for in the liability under the related credit insurance guarantees, issued to exporters. However if guarantees to the banks are given under a different section of the Act from that of the basic guarantee, they are recorded in the separate liability figures (3a and 3b above) which are maintained for Section 1 and Section 2(1); in these circumstances the aggregate of 3(a) to (f) will exceed the figure at 2.

Commitments under the Overseas Investment and Export Guarantees Act 1972

4 During the quarter ending 31 March 1976 the aggregate amount of liabilities assumed was £5.9 million.

Note: This is the gross value of liabilities assumed in the quarter and does not take account of previous liabilities which have now expired.

5 The total amount of liability on 31 March 1976 set against ECGD's statutory limit of £250 million set in Section 2(4) of the 1972 Act amounted to £38 million.

ECGD news

£5.6 million bridge loan for Guyana. The Export Credits Guarantee Department has guaranteed a £5.6 million loan to help finance a 6,000 ft, two lane floating bridge for erection over the River Demerara in Guyana.

Kleinwort, Benson Ltd. acting on behalf of Barclays Bank International Ltd. made the loan available to the Government of Guyana.

The bridge, being supplied by Thos. Storey (Engineers) Ltd. of London, is scheduled to be in operation by the summer of 1977.

Duties on imports from Spain

The Treasury have made an Order – The Import Duties (Spain) (Reductions) (Amendment No. 2) Order 1976 (SI 1976 No. 977) – renewing the import duty concessions for Spanish agricultural goods (Tariff Chapters 1 to 23) which would otherwise have expired on 30 June. Concessions for industrial goods are not being renewed and lapse on 30 June, after which date the normal full rate will become chargeable.

Copies of the Order will be on sale shortly in HMSO bookshops.

An amendment to Part 10K of the Customs and Excise Tariff will be issued in due course. In the meantime inquiries as to rates of duty chargeable on imports from Spain may be addressed to HM Customs and Excise, King's Beam House, Mark Lane, London EC3R 7HE (tel. 01-626 1515).

Application for temporary exemption from import duty

The Department of Trade is considering an application for the temporary exemption from import duty of the material listed below on the grounds that this material is not made in this country or the supply available is not substantial having regard to the existing United Kingdom demand.

Representations are invited from manufacturers in this country who consider they are, or will be within a reasonable period, in a position to supply a substantial proportion of the United Kingdom demand for this material, or who are interested in its future production.

Temporary exemptions come into effect on the operative date of the Treasury Order in which the materials are specified and *will remain in operation until the date shown in column 4 below* or for such shorter period as may be justified.

Interested parties who wish to make representations should address them to General Division, Department of Trade, Kingsgate House, 66/74 Victoria Street, London SW1E 6SJ, preferably through a trade association, giving the reference shown below and stating whether their names may be passed to the applicants for temporary exemption.

Representations should be received by 9 July.

Tariff heading	Proposed definition for tariff purposes	Applied for as	Exemption required until	Reference
29.16	Sodium 5-(2,4-difluoro-phenyl)salicyclate	2',4'-Difluoro-4-hydroxy-3-biphenyl-carboxylic acid, sodium salt	31 December 1977	G/T15731

Notices to Importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH.

No. 1560: Arrangements for imports of certain textiles from Portugal

Under an additional Protocol to the EEC/Portugal Free Trade Agreement recently initialled, the Portuguese have agreed to limit exports to the UK of certain textile items. The items concerned and the quantities to be exported during 1976 are:

Tariff heading	Description	Quantity (tonnes)
55.05	Cotton yarn, not put up for retail sale	5,450
56.07	Woven fabrics of man-made fibres (discontinuous or waste)	3,164
60.05	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised	1,221
61.01	Men's and boys' outer garments	2,500
61.02	Women's, girls' and infants' outer garments	625
61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs	900
61.04	Women's, girls' and infants' under garments	212
62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles	8,500

From 1 July 1976 the Portuguese authorities will make allocations to exporters for the goods shown above. For each consignment the exporters will send to UK importers Portuguese Textile Surveillance Certificates of which Part I will have been completed by the exporter and Part II by Portuguese authorities. The importer should complete Part III and present the certificate to UK Customs with the entry documents and import surveillance licence relating to the consignment. Customs will check and stamp Part III of the certificate and send it to Import Licensing Branch who will already hold a copy of the certificate on which Parts I and II will have been completed.

Cotton yarn and man-made fibre fabric

Imports of cotton yarn and man-made fibre fabric falling within tariff headings 55.05 and 56.07, originating in Portugal, were subjected to import restrictions with effect from 18 December 1975 and quotas were established for the period up to 30 June 1976. These goods will now be covered by the arrangements referred to above but the Portuguese authorities will allow exporters to fulfil orders placed against import licences issued under the earlier arrangements outside allocations made under the new arrangements. Import Licensing Branch will extend the validity of these licences, which expire at 30 June, as necessary up to the end of the year.

UK surveillance

UK surveillance licensing, arrangements for which are set out in Notices to Importers Nos 1484 and 1502, will apply to all the goods shown above. Existing import surveillance licences will therefore continue to be valid but additionally for goods listed above originating in Portugal importers should present Portuguese Textile Surveillance Certificates to UK Customs with the entry documents and import surveillance licences.

Inquiries: Import Licensing Branch, tel: 01-603 4644, ext. 268.

No: 1561: Revised arrangements for imports of textiles from the Arab Republic of Egypt

The European Community has negotiated and initialled an Agreement with Egypt under the Gatt Multifibres Arrangement, on trade in textiles for the calendar years 1976 and 1977. Pending completion of the Agreement its provisions are being brought into de facto effect immediately.

In the light of the relatively low level of imports against existing quota in recent years the Agreement provides for the removal of all quantitative restrictions in all regions of the community on imports of textiles originating in Egypt. All textile items covered by the Gatt Multifibres Arrangement (ie yarns, piece goods, made-up articles, garments and other textile manufactured products of cotton, wool or man-made fibres) will however be subject to compulsory consultation arrangements designed to facilitate the introduction of limits should exports to the community or any of its regions reach levels which threaten market disruption. The community is therefore subjecting all such textile items to community surveillance, but this will have no practical effect on UK importers as virtually all textile imports from non-EEC sources are already subject to UK surveillance licensing arrangements. Cotton goods which were previously subject to quantitative restrictions will therefore now become subject only to surveillance licensing arrangements, details of which are set out in Notices to Importers Nos. 1484 and 1502.

Import licences issued under the previous restrictive arrangements will continue to be valid until they are either exhausted or their period of validity expires.

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 367.

No. 1562: Taiwanese textiles

Because of the exceptional circumstances surrounding the allocation of the 1975 and 1976 Taiwanese quotas which created a great deal of uncertainty among importers, a number have requested that the 1977 quotas should be allocated as early in 1976 as possible. It has therefore been agreed to inform individual importers of the size of the allocations they are likely to get in 1977. Importers are now invited to submit applications for shares of the quotas shown in the Annex to this Notice.

Applications should be made to Import Licensing Branch on Form ILB/A by 30 July 1976 and should be accompanied by a statement of past trade by the applicant for each of the years 1972, 1973, 1974 and from 1 January to 14 August 1975 supported by a report by a qualified practising independent accountant. A pro forma for this purpose is available from Import Licensing Branch and applications will only be dealt with on receipt of the correctly completed forms.

When the individual provisional allocations have been calculated a letter will be sent to each importer stating – though without any guarantee – what his allocation for 1977 is likely to be. The licences themselves will be issued towards the end of the year and will be valid for imports from 1 January 1977.

In the case of trousers, shorts and jeans covered by quota 8(b) there are still considerable quantities in UK ports for which payment has been made under commitments entered into before the restrictions were announced on 8 August 1975. As an exceptional measure it has been decided that in the case of this quota advantage should be taken of the provision in Article 2 of EEC Regulation No. 1849/75 which permits anticipation of the following year's quota by 10 per cent of the current quota. Licences usable in 1976 for 80,800 pairs of trousers, shorts and jeans are therefore to be issued to importers who still have such goods in United Kingdom ports and applications are invited from such importers by 9 July 1976. Applications should be accompanied by details of the quantities of goods in UK ports together with evidence that payment has already been made under the terms of irrevocable letters of credit opened before 8 August 1975. Evidence of dates of despatch of the goods to the United Kingdom should also be provided. The anticipation by 10 per cent of the 1977 quota will, however, not enable all these goods to be imported and further licences to cover imports in 1977 will first be issued to those importers who still have goods which meet the criteria set out above. The remaining 1977 quota will therefore be reduced but in calculating individual importers' allocations account will be taken of any licences they have received under the exceptional arrangements.

Inquiries: Import Licensing Branch, tel: 01-603 4644 ext. 311.

Textiles originating in Taiwan: UK quota levels under Community arrangements

ANNEX

Quota no.	Tariff heading	Description of goods	UK quota levels 1977
1	ex 51.04	Woven fabrics of synthetic textile fibres (continuous) including woven fabrics of monofil or strip of heading no. 51.01 or 51.02 (tonnes)	335
2	55.09	Other woven fabrics of cotton (tonnes)	1,273
		of which other than unbleached and bleached (tonnes)	178
3	ex 56.05	Yarn of synthetic textile fibres (discontinuous or waste), not put up for retail sale (tonnes)	2,029
4	ex 56.07 A	Woven fabrics of synthetic textile fibres (discontinuous or waste):	
(a)		unbleached and bleached (tonnes)	649
(b)		other (tonnes)	329
5	ex 56.07 B	Woven fabrics of regenerated textile fibres (discontinuous or waste) (tonnes)	1,284
6	ex 60.04	Undergarments, other than drawers and briefs, tights and panti-hose, knitted or crocheted, not elastic or rubberised:	
(a)		shirts and sports shirts (including T-shirts) (thousand articles)	2,575
(b)		other (tonnes)	240
7	60.05	Outer garments and other articles knitted or crocheted, not elastic nor rubberised:	
(a)		jerseys, pullovers, slipovers, twinsets, cardigans, bedjackets and jumpers (thousand articles)	15,810
(b)		other (tonnes)	390
8	ex 61.01 ex 61.02	Men's, boys', women's, girls and infants' outergarments, excluding babies wear:	
(a)		Waterproof garments made of impregnated or coated fabrics within the meanings of headings nos. 59.08, 59.09, 59.11 or 59.12 (thousand articles)	101
(b)		Trousers, shorts and jeans (thousand articles)	899
(c)		Men's and boys' outergarments other than those in categories 8(a) and 8(b) and excluding aprons, overalls, dungarees and articles of apparel used for sports (tonnes)	239
		of which suits, jackets, blazers and the like (tonnes)	121
(d)		Women's, girls' and infants' shirts and blouses, excluding babies wear (thousand articles)	540
(e)		Women's, girls' and infants' outergarments, excluding babies wear, other than those in categories 8(a), 8(b) and 8(d) and excluding aprons, overalls, smocks and articles of apparel used for sports (tonnes)	113
		of which coats, jackets, dresses and skirts (tonnes)	38
9	61.03	Men's and boys' undergarments, including collars, shirt fronts and cuffs:	
(a)		shirts (thousand articles)	1,616
(b)		other (tonnes)	140
10	61.04	Women's, girls' and infants' undergarments including babies wear (tonnes)	24

Tariff and Trade Notices

France

Tin alloys. A decree published in the French *Official Journal*, 6 June 1976, prohibits the sale, offer or storage for sale of any articles made of alloys described as tin unless such alloys contain at least 82 per cent tin. After six months from the date of publication of the decree all articles thus qualified must be denominated ETAIN, with no other descriptive terms, by means of an affixed label or engraved inscription. The decree does not apply to industrial parts, and articles of tin for use as containers of foods or beverages remain subject to the relevant extant legislation.

Copies of the French text may be seen at Export House or can be sent on request. Inquiries: OTAR 01-248 5757 ext. 423/7174/408/462.

Italy

Mercury limits in fish products used as foodstuffs. The Italian *Gazzetta Ufficiale*, 18 May 1976, published a ministerial decree of 13 May 1976 which extends the law relating to the mercury content in fish used as foodstuffs. Copies of the decree, or a set of the laws relevant to mercury levels in fish products for use as foodstuffs, are available from OTAR 01-248 5757 ext. 466/467/288.

Petroleum products for agricultural use. The Italian *Gazzetta Ufficiale*, 18 May 1976, published law 262 of 10 May 1976 extending until 31 December 1976 the reduced rate of 6 per cent VAT for petroleum products for agricultural use. Copies of the law, in Italian, are available. Inquiries: OTAR 01-248 5757 ext. 466/467/288.

Registration as medical specialities of rodenticides, dentifrices and haemodialysis apparatus. The Italian *Gazzetta Ufficiale*, 18 and 22 May 1976, published three ministerial decrees, as follows:

Ministerial decree of 29 January 1976 on the requirement to register rodenticides for public and domestic use.

Ministerial decree of 29 January 1976 on the requirement to register toothpaste having a fluorine content greater than 10 milligrammes per 100 grammes.

Ministerial decree of 21 January 1976 on the requirement to register haemodialysis apparatus.

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exporters (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension. In the Tariff and Trade Notices section countries are grouped by continents as far as possible; they are listed alphabetically on the contents page.

Copies of the decrees are available in Italian. Inquiries: OTAR 01-248 5757 ext. 466/467/288.

Weights and dimensions for commercial vehicles. The Italian *Gazzetta Ufficiale* of 26 May 1976, published a law dated 5 May 1976 amending the Presidential Decree of 15 June 1959 governing road traffic. The new regulations particularly cover the maximum weights and lengths of commercial vehicles and also increase the penalties for overloading of vehicles. Copies of the law, in Italian, are available.

Inquiries: OTAR 01-248 5757 ext. 466/467/288.

Greece

Import licensing. A decision of the Greek Ministry of Commerce of 27 April 1976 has placed on Import List 'A' the following items import of which now becomes subject to approval by the Committee of the Foreign Trade Council:

1	02.02 A ex 02.02 C	Cocks, hens and pullets, plucked and gutted, with or without heart, liver and gizzards, slaughtered, cut or whole; backs, necks, backs with necks attached, wing tips and rumps, fresh, chilled or frozen
2	07.02 D	Vegetables and edible plants, cooked or uncooked, preserved by freezing
3	ex 20.06 A	Roasted hazel nuts

Inquiries: OTAR 01-248 5757 ext. 439.

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ENCIRCLE TI 80 ON PAGE 823 FOR FURTHER INFORMATION

Israel

Alpha chloraloz for plant protection: regulations. Preparations which contain alpha chloraloz may be imported into Israel only under permit and must be sold in closed packages bearing a label specifying the method of use and the precautionary measures. Inquiries: OTAR 01-248 5757 ext. 458/461.

Standard for concrete flooring tiles. The following Israeli standard has been declared official and compliance with it will be compulsory 60 days from 18 May 1976.
IS 6 – Concrete flooring tiles.

The Standards Institute of Israel issues an English translation of the standard and copies may be obtained from the British Standards Institution Library, 2 Park Street, London W1 (tel. 01-629 9000, telex 266933).

British exporters requiring technical advice should contact Technical Help to Exporters, British Standards Institution, Maylands Avenue, Hemel Hempstead, Herts HB1 1BR (tel. 0442-3111, telex 82424). Inquiries: OTAR 01-248 5757 ext. 458/461.

Cancellation of standard for toys. The Israeli authorities have announced that the following standard has now been cancelled and compliance with it is therefore no longer compulsory.
Israeli Standard No. 562 – Toys: Safety Requirements.

No further information is available. Inquiries: OTAR 01-248 5757 ext. 458/461.

Tunisia

Import licensing. *Trade and Industry* notice published on 21 May 1976 gave details of global quotas for 1976. The Tunisian *Official Journal* No. 32 of 11 May 1976 has now published the following amendment:

BN no.	Description	Quota
ex 64.01 to 64.04	Footwear excluding sportswear and ballet footwear	40,000 pairs

Inquiries: OTAR 01-248 5757 ext. 461.

People's Republic of the Congo

Customs tariff changes. According to Finance Law no. 04/76 all duties and taxes levied on imports, of tariff headings 02.01, 02.02.19, 02.02.91, 03.02.99, 10.06.19, and 25.01.02 have been suspended. Goods under the following tariff headings are subject to partial suspension of duties and taxes: 16.02.90, 16.04.12, 16.04.19, 87.10 and 87.12.11.

In addition rates of Taxe Complementaire have been increased for items under BTN 04.04, 06.03, 08.04, 08.06, 22.05/06, 22.08/09, 24.02.03, 55.09.07, 64.01/04, 64.06, 87.02.01. Inquiries: OTAR 01-248 5757 ext. 472/471/473/462.

Australia

Textiles and apparel: tariff quotas. The result of a major review of the tariff quota arrangements which apply to the textiles and apparel industry has been announced.

The Government decided to continue the tariff quota arrangements currently applying and to extend the coverage of tariff quotas to certain other clothing products covered by a recent report of the Textiles Authority. For goods covered by existing tariff quota arrangements, it has been decided that there should be some increases in the levels of tariff quotas.

It has also been decided to standardise all tariff quota arrangements on a common annual basis, namely the 12 months from 1 March to end February. Also in the future, the Government would be seeking to give at least six months' advance notice of tariff quota levels and allocations to be made to individual importers.

The Government's current review is based on the Textiles Authority's report of 20 April, which covered knitted tops and certain other clothing products, and on reviews of existing tariff quotas prepared by Departments as announced in September 1975. The Government would be prepared to increase quota levels, where warranted, to ensure adequate market supplies.

Details of quota levels and related matters are set out below.

TARIFF QUOTA LEVELS

(a) For goods covered by Textiles Authority Report of 20 April 1976

Description of goods	Additional duties on adult garments in excess of tariff quota (b)	Annual	Tariff quota levels 1 July-1976-28 February 1977 million garments	Minimum allocation from 1 March 1977 million garments
Knitted coats, jumpers, caridgans, sweaters and the like (a)	$20 per kg	15.0	8.572	7.5
Men's, boys' and infants' knitted outerwear, shirts (a)	$12 per kg	12.0	6.857	6.0
Knitted shirts and blouses for women or girls and woven shirts and blouses for women, girls and infants (a)	$12 per kg	10.0	6.571	5.0
Woven coats for women, girls and infants	$12 per kg	0.750	0.50	0.375
Knitted or woven dresses	$14 per kg	3.5	2.3	1.75
Knitted tracksuits for adults	$12 per kg	0.47	0.313	0.235
Men's, youths' and boys' knitted or woven trousers and jeans	$10 per garment	4.0	2.6	2.0
Women's, girls' and infants' woven sleepwear	$4 per unit	2.0	1.33	1.0
Knitted or woven dressing gowns, kimonos, bathgowns and the like (a)	$10 per garment	0.250	0.144	0.125

(a) Because tariff quota arrangements already apply to some or all of the garments included in these categories and tariff quotas have already been allocated through to the end of August 1976, the levels of tariff quota to be allocated for the period 1 July 1976 to 28 February 1977 are in these cases less than a two-thirds proportion of the annual level.

(b) The additional duties for non-adult garments in excess of tariff quotas will be half the duties specified for adult garments. The relevant size distinctions are:

Men's, youths' and boys' knitted or woven trousers and jeans (60.05.19, 61.01.69):
Adult: waist measurement 78cm and above
Non-adult: below 78cm

All other products excluding knitted tracksuits, etc.:
Adult: chest measurement 80cm and above
Non-adult: below 80cm

Knitted tracksuits:
Adult: chest measurement 86cm and above

TARIFF QUOTA LEVELS

(b) Goods covered by existing tariff quota arrangements — million garments

Item	Tariff quota levels: First year	Second year	Allocation to 28 February 1977	Minimum allocation from 1 March 1977
APPAREL				
Shirts, men's and boys'	4.5	8.5	1.4 (a)	4.25
Pyjamas and nightwear, woven, men's and boys'	0.8	1.2	0.2 (a)	0.6
Suits, men's, youths' and boys'	0.045	0.090	0.067 (b)	0.045
Coats, men's, youths' and boys'	0.200	0.300	0.2 (b)	0.15
Shorts, men's, youths' and boys'	0.8	1.5	1.1 (b)	0.75
Certain outergarments, women's, girls' and infants'	6.0	8.0	5.0 (b)	4.0
Swim wear	0.6	0.9	0.6 (b)	0.45
Napkins, babies'	0.6	0.9	0.6 (b)	0.45
Brassieres	2.66	3.5	n.a.	n.a.

(a) As quotas for the second period in 1976 (to the end of December) have already been allocated, the additional allocation to the end of February 1977 will be a pro-rata adjustment based on imports authorised in the second year to cover the extension of the quota year to 28 February 1977. This will be allocated to importers as soon as possible.

(b) An initial allocation covering 50 per cent of the total level of the first year has been made previously; the balance for the second year will be allocated to importers as soon as possible; no pro-rata adjustment will be made as the quota year for these goods is already March-February.

Acrylic (apparel) yarns (m. kg)	1.772	1.878 (c)	0.939
Knitted man-made fibre fabrics (m. kg)	3.198	3.390 (c)	1.695
Terry towels (m. sq. m)	2.392	2.540 (c)	1.270
Woven man-made fibre fabrics (m. sq. m)	31.110	35.000 (c)	17.500
Polyamide and polyester yarn (m. kg)	5.647	(d) (c)	(d)

(c) An initial allocation covering 50 per cent of the total level of the first year has been made previously; the balance for the second year with pro-rata adjustment to cover extension of the quota year to February 1977 will be allocated to importers as soon as possible.

(d) As from the beginning of the second quota period in 1976, the following arrangements will apply to these yarns:

hosiery yarns of not more than 50 decitex will be excluded from tariff quota arrangements;

a separate tariff quota category will be established for carpet yarn at an annual rate of 2.6 million kg and allocations will be made to importers of carpet yarn to cover the second quota period to December 1976 and the extension to the end of February 1977;

the remaining goods will be covered by a new category for 'other yarn', ie apparel and industrial yarn. The total annual level for imports in this category will be 3.196 million kg, and allocations will be made to cover the second quota period to December 1976 and the extension to the end of February 1977.

Inquiries: OTAR 01-248 5757 ext. 468/469/401.

Tariff changes: superphosphates; other electronic equipment, and tyre cord and tyre cord fabric. Following Industrial Assistance Commission reports and suggestions, the Australian Government has announced the following tariff changes, operative from 2 June 1976:

Tariff no.	Description of goods	General	Preference
	Omit sub-item 31.03.1, substitute the following sub-item:		
31.03.1	Superphosphates	5%	5%
	Omit paragraph 31.05.11, substitute the following paragraph:-		
31.05.11	Superphosphates	5%	5%
	Omit sub-item 51.01.1, substitute the following sub-item:		
51.01.1	Yarn of viscose, being yarn having a breaking strain not less than 27 g per tex	15%	15%
	Omit sub-item 51.04.2, substitute the following sub-item:		
51.04.2	Tyre cord fabrics, not being goods falling within sub-item 51.04.1	15%	15%
	Omit sub-item 85.14.1, substitute the following sub-item:		
85.14.1	Speech trainer sets, being sets designed for speech training of clinically deaf persons	5%	5%
	After sub-item 85.15.2 insert the following sub-item:		
85.15.3	Burglar alarms	15%	15%
	Omit item 85.17, substitute the following item:		
85.17	Electric sound or visual signalling apparatus not falling within item 85.09 or 85.16	15%	15%
	Omit note 7 to Chapter 90		
	Omit item 90.19, substitute the following item:		
90.19	Orthopaedic appliances, surgical belts, trusses and the like: splints and other facture appliances; artificial limbs, eyes, teeth and other artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body to compensate for a defect or disability:		
90.19.1	Splints and other facture appliances, artificial limbs, eyes, teeth and other artificial parts of the body	6%	Free
90.19.2	Orthopaedic appliances, surgical belts, trusses and the like	24%	9%
90.19.3	Hearing aids	5%	5%
90.19.9	Other	34%	21%
	Omit sub-items 90.20.1 and 90.20.2, substitute the following sub-item:		
90.20.1	X-ray generators, x-ray tubes, x-ray screens, x-ray high tension generators, x-ray control panels and desks, x-ray examination or treatment tables, chairs and the like and other apparatus based on the use of x-rays, being goods commonly used for medical purposes	5%	5%

Inquiries: OTAR 01-248 5757 ext. 468/469/401.

Sheets and plates of iron or steel: temporary tariff quotas. The Government's decision on the Temporary Assistance Authority's report on sheets and plates of iron or steel has been announced.

The Government has accepted the Authority's findings and has imposed temporary tariff quotas on imports of cold rolled sheets and plates of thickness not exceeding 3.2mm, and galvanised or corrugated and galvanised sheets and plates with effect from 1 April 1976 until 31 March 1977. Quotas would be allocated on the basis of total clearances for home consumption during the calendar years 1974 and 1975:

1 for cold rolled sheets and plates not exceeding 3.2mm in thickness an additional *ad valorem* tariff of 40 per cent will apply to imports in excess of a quota for each importer equal to 32 per cent by weight of that importer's total clearances. In aggregate terms, the resulting quota for the 12 months will be about 90,000 tonnes.
2 for galvanised or corrugated and galvanised sheets and plates, an additional *ad valorem* tariff of 25 per cent will apply to imports in excess of a quota for each imorter equal to 67 per cent by weight of that importer's total clearances. In aggregate terms the resulting quota will be about 56,000 tonnes.

A reference has been sent to the Industries Assistance Commission

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requesting it to report by 31 January 1977 on the need, if any, for the continuance of these tariff quotas.

Decisions on the long term protective needs of the industry will be taken when the Commission's final report on the iron and steel industry is received. The Commission is expected to report towards the end of 1977.

Inquiries: OTAR 01-248 5757 ext. 468/469/401.

Customs valuation system. A notice in *Trade and Industry*, 30 January 1976, reported that the Australian government had decided to introduce a new system of valuing imports for customs duty purposes based on the Brussels Definition of Value. The necessary amending legislation now awaits the royal assent and the revised system should therefore come into effect on 1 July 1976 as anticipated.

As in any major procedural reorganisation there are likely to be difficulties during the changeover period. It has been estimated by the Australian Department of Customs that for 60 per cent of imports the system will simplify existing procedures. For the remaining 40 per cent, it will be necessary for customs officials to examine importers' books to establish the basis on which these imports are to be valued. UK exporters may therefore be asked for additional information by Australian importers in order to facilitate valuation.

Copies of the legislation are not yet available but an Australian Customs Valuation booklet has been prepared by the Australian Department of Business and Consumer Affairs as a guide to the Brussels Definition of Value. This booklet is in short supply but copies are available for inspection at the Department of Trade, Room 336, 1 Victoria Street, London SW1 and at the Department's Regional Offices. Ref. CRE 41544. Inquiries: CRE 01-215 5318/9.

Guatemala

Building materials and prefabricated buildings. The Guatemalan Congress has, by decree 16-76 of 26 May 1976, exempted from customs duties and charges for a period of two years the importation of the following building materials and prefabricated buildings needed for earthquake reconstruction:

1 Timber: logs, rolls for sawing, unworked board and plywood for construction purposes
2 Cement, Portland type, and lime
3 Galvanised corrugated iron or steel sheet and tin sheet
4 Nails
5 Iron or steel rods 4.7mm to 16mm in diameter
6 Iron or steel wire, 1.5mm to 7mm gauge
7 Structural steel in profiles and section, in dimensions not exceeding 50.8mm
8 Iron or steel mesh, for concrete re-inforcement
9 Prefabricated houses to be used exclusively for dwelling purposes, provided their cif value does not exceed Quetzals 8,000

The decree also establishes that small and medium industries engaged in the manufacture of building materials, installed in the area affected by the earthquake of 4 February (except Guatemala City), may import tax-free, over a period of 10 years, machinery, equipment and raw materials.

The exemptions granted under the new decree do not apply when the items listed are produced in Guatemala or the rest of Central America in suitable quantities, quality and prices.

The regulations became effective on 5 June 1976.

There is no further information available at present. Inquiries: OTAR 01-248 5757 ext. 476/474.

Ecuador

Up-dating the laws on investment by foreign residents in Ecuador. The Ecuadorean Government on 31 March 1976 issued a decree relating to investments by foreign residents in the country, with the object of bringing the provisions into line with the correlated precepts of other laws: ie – it being necessary, in the interest of national economic development, to create an incentive to save and to establish sums of capital in Ecuador; – Decision No. 24 of the Cartagena Agreement gives native foreign persons, resident in the country for over one uninterrupted year, the option of being considered as national investors so long as the requirements of this decree are met. A translation of the decree is available. Inquiries: CRE 01-215 5288.

Consular invoices and legislation. Decree no. 281 of 7 April 1976, which came into effect on 20 June 1976, abolishes the need to obtain consular invoices before exporting goods to Ecuador. The requirement that commercial invoices, bills of lading and certificates of origin must be legalised before the Ecuadorean Consulate will no longer be required after 20 June 1976. These documents, together with the import licence granted in Ecuador, should now be submitted:

1 Direct to the customs house at the Ecuadorean port of entry, by writing to:

   Administración de Aduanas
   (name of port to which the goods are to be shipped)
   Ecuador

Or

2 Direct to the Ecuadorean importer who will obtain the import licence as (or if), required and pay the necessary fees at the time of claiming the goods. Thus, the consular fees will no longer be paid to the Ecuadorean Consulate but directly to the customs houses of the Ecuadorean Republic.

The documents relating to navigation continue to be in force and should be submitted to the Consulate (in the port from whence the goods will be shipped) for legalisation under the new tariffs.

Inquiries: OTAR 01-248 5757 ext. 474/476.

Brazil

Duty fixed and reference price laid down on acrylic and methacrylic resins. Customs Policy Council Resolutions Nos. 2,755 and 2,756, both published in the *Diario Oficial* of 14 May 1976, fixed the import duty incident on acrylic and methacrylic resins for injection or extrusion, under tariff heading 39.02.02.09, at the rate of 60 per cent. This rate had previously been a temporary measure. At the same time a reference price was laid down for these products of US$2.14/kg, cif.

Duty increase on industrial alcohols. Customs Policy Council Resolution No. 2,757, published in the *Diario Oficial* of 14 May 1976, raised the import duty on the following industrial alcohols from 30 per cent to 60 per cent. The products affected are as follows:

29.04.06.00	Decyl alcohol
29.04.15.00	Nonyl alcohol
29.04.16.00	Octyl alcohol
29.04.25.00	Iso-octyl aclohol

Additional rates of Sole Tax. Declaratory Act CST-59, published in the *Diario Oficial* of 14 April 1976, revised the rates of the Sole Tax on Lubricants, Liquid and Gas Fuels. These new rates are in fact the previous rates plus an additional charge. Details of the new rates are available from OTAR Section.

Imports without exchange cover, in the form of foreign investment. Comunicado FIRCE No. 27, of 29 April 1976, gave notice that imports without exchange cover, in the form of foreign investment would, in future be restricted to machinery and equipment intended for industrial plant construction or, in exceptional circumstances, for the complementation or modernisation of plants already in operation.

Further details may be obtained. Inquiries: OTAR 01-248 5757 ext. 476/474.

Import deposit scheme extended. GECAM Comunicado no. 312, of 6 June 1976, has extended the import deposit scheme to the contracting of import exchange for forward payment for the opening of letters of credit.

Such contracting shall, from 7 June 1976, be subject to the deposit of the fob value of the corresponding exchange. The deposits should be effected on the date of the exchange contract closing and will be put into a special account under the importers name.

The deposits will be forwarded to the Banco Central up to the working day following the exchange contract closing date. The deposit will be liberated upon liquidation or upon cancellation of the exchange. Should the liquidation or partial cancellation occur the deposit will be liberated according to its corresponding value.

Inquiries: OTAR 01-248 5757 ext. 476/474.

European Community News

EEC and Portugal: Additional Protocol

An Additional Protocol to the Portuguese free trade agreements was initialled on 10 June in response to a Portuguese request for the extension of the agreement under Article 35. The formal signature is expected to take place in Brussels next month.

The free trade agreement between Portugal and the EEC was concluded in 1972 at the time of the UK's accession to the communities and details were published in the 10 August 1972 issue of *Trade and Industry*. The agreement was similar to that concluded with other member states of EFTA and included an arrangement for the continuation of EFTA free trade and dismantling industrial tariffs on both sides by 1 July 1977. There were some concessions on agriculture and some special arrangements for a longer period of reductions of Portuguese tariffs to take account of the lower level of Portuguese industrialisation.

After the political changes of 1974 the council of ministers of the EEC expressed its intention to assist Portugal in dealing with some of the trading, economic and social problems arising out of the need to adjust to new circumstances. The ensuing negotiations resulted in the initialling of this month's Additional Protocol.

Trade provisions

The communities have agreed to remove on 1 July 1976 the import duties applied to industrial imports from Portugal (except for sensitive products of Protocol No. 1 and agricultural products of Protocol No. 2).

As further assistance, to aid Portugal in the recovery of her manufacturing base and the achievement of better industrial growth, the community has also agreed to allow the extension of tariff reductions to 1 January 1985, on certain products already benefiting from limited protection under the free trade agreement. For other selected items, Portugal may reimpose duties of up to 20 per cent *ad valorem* after any necessary GATT and EFTA consultation. These duties will also be eliminated by 1 January 1985. Provision will be made, if this arrangement is used, for prior notification and a period of grace of up to 28 days for goods in transit.

The levels of the indicative ceilings for 1976 on imports of sensitive Portuguese products (Protocol No. 1 of the agreement) will be increased by 10 per cent instead of 5 per cent and measures will be taken by Portugal to regulate exports of certain textiles to UK to avoid market disruption. Details are published on page 785.

For imports of paper and board products the community has agreed to grant duty free import quotas for some 42,000 tonnes principally of kraft liner. The United Kingdom will open quotas of 12,000 tonnes for kraft liner and 1,000 for other paper products.

Agricultural products

Some tariff conversions by the community have been agreed for agricultural products Protocol No. 8 of the agreement covering certain prepared or preserved fish and vegetables. Similarly, there have been tariff concessions on some types of wine and a change in the allocation of import quotas for port by increasing the amount allocated to wine in bottles by 10,000hl and reducing the amount of bulk wine by 5,000hl.

Financial Protocol

In extending the agreement with Portugal to areas not previously covered, the community has agreed in a Financial Protocol that Portugal shall have access to the European Investment Bank for funds of up to 200 million units of account. Some 30 mua of this sum will take the form of aid as interest subsidies.

Labour questions

Each member state of the community undertakes to ensure equality of treatment with its nationals in matters of pay and conditions of work for Portuguese workers in the EEC. A reciprocal undertaking is given by Portugal for workers from the community employed in Portugal.

Social security

Member states of the community guarantee equality of treatment with their own nationals in matters of social security for Portuguese workers in their territory and their families subject to certain conditions. Portugal gives a similar undertaking.

Industrial, technological and financial co-operation

The community and Portugal will co-operate in the field of industry, technology and finance in order to assist the economic and social development of Portugal.

Further details of the Additional Protocol will be published when it has been signed.

Second EEC tripartite conference

Employment and stability were the main themes of the second EEC tripartite conference held in Luxembourg yesterday (24 June). The Chancellor of the Exchequer, Denis Healey, and the Secretary of State for Employment, Albert Booth, represented the UK.

A commission document – 'restoring full employment and stability in the community' formed the background to discussion by ministers and trade union and employers' representatives at the conference. The aim of the talks was to reach a common understanding of the measures which would be necessary to overcome the present economic crisis in the community. The commission document covered both broad macro-economic policy objectives for growth, employment and inflation, together with some more specific policy suggestions for employment, investment and counter inflation policies and emphasised the tasks and responsibilities of both government and the two sides of industry in the joint action necessary to tackle employment and inflation.

Yesterday's conference followed the first tripartite conference on 18 November. Like its predecessor, it provided a valuable opportunity for governments, with both sides of industry, to discuss the major economic and social problems facing the community.

Prime Minister in Bonn EEC talks

At the invitation of the Chancellor of the Federal Republic of Germany, Helmut Schmidt, the Prime Minister, James Callaghan, will pay a working visit to Bonn on on Wednesday, 30 June. He will be accompanied by the Foreign and Commonwealth Secretary, Anthony Crosland, and both will return to London the same day.

Herr Hans-Dietrich Genscher, the Federal Foreign Minister, will also take part in the Bonn discussions which will centre on EEC affairs and the world economic situation.

'T & I' subscriptions and sales

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Termination of same state relief import arrangements

Among the provisions accepted by the UK on accession to the EEC was EEC Directive 69/73 harmonising inward processing relief arrangements.

This harmonising directive permits imported goods which are intended for export outside the customs territory of the community to be processed without payment of duty. It is intended to cover all forms of processing and does not provide for the continuance of any other form of national procedure having a similar purpose.

The relief allowed in the UK to goods imported and re-exported in the same state is not covered by the directive and in order to accord with community principles the decision has been taken to bring same state relief to an end. To coincide with the change, the opportunity will be taken to simplify relief arrangements by extending the range of general authorisations so that they cover, under inward processing, many of the minor processes at present undertaken by same state relief traders.

In order that UK exporters may be given every opportunity to take advantage of alternative arrangements, same state relief is to be phased out gradually to end completely by 30 June 1977. It will not be possible to accept claims for same state goods exported after that date and exporters may wish to consider their trading position in the light of the alternative arrangements being introduced to replace same state relief.

Although same state relief is to end it may be that there will be little practical effect on trading activities except that application for authorisation will be necessary before customs entry of the imported goods. Many goods entitled to same state relief in fact undergo minor processes such as re-labelling, remarking and repacking; other goods are examined before re-exportation. These operations are regarded as minor processes covered by the community inward processing relief procedures in EEC Directive 69/73 so that when same state relief ends it will be possible in most cases to employ inward processing relief procedures for goods undergoing similar minor processes.

To simplify the change-over, the Department of Trade have issued a revised general authorisation for a number of minor processes. Under this general authorisation (see right), importers will be able to enter their goods at importation for any of the listed processes under the provisions described in paragraphs 5 and 25 of Notice No. 221 (October 1975) without obtaining individual specific authorisation from customs. This new general authorisation incorporates most of the minor processes previously allowed under same state relief.

The existing warehousing and transhipment procedures will continue to be available for goods which are not subject to any form of minor processing.

Where necessary to meet the trading needs of exporters, same state relief authorisations will continue to be issued by customs to exporters who are satisfied that they will be able to export their goods before 30 June 1977. There is however no provision for relief to be granted for goods entered under same state relief arrangements which are exported after that date. Final balanced accounts and repayment claims for goods exported up to 30 June 1977 will have to be lodged with customs by 30 September 1977. It is therefore in exporters' interests that they should whever possible enter their goods under the revised inward processing relief arrangements which do not in this respect have the cut-off date of 30 June 1977. The normal rules including those relating to time limits which apply to inward processing relief will operate.

Exporters who have previous experience of inward processing relief will be aware of the procedures: other exporters should consult their local office of Customs and Excise for further information.

An amended notice 221 will be issued in due course.

General authorisation (see notice No. 221 paragraph 25)

Relief from customs duty (and CAP import and export charges on a remission basis only) is allowed under the Import Duties Act 1958, section 7 on the importation of the goods listed below for the process described.

Importations for a process not included below require a specific authorisation (see notice no. 221, paragraph 18).

Imported goods	Allowable process	General authorisation number
Any goods	Examinations, stocktaking and sampling; Elementary repairs following damage incurred during transport or storage; Cleaning; Removal of damaged parts; Sorting, straining, sifting, mechanical clarification, filtration, unpotting, drawing off and any other similar simple treatment; The affixing to the goods themselves, or to their packings, of marks, seals, labels, or other similar distinguishing signs, on condition that there is no risk of that giving the goods an apparent origin different from their real one; Altering the marks and numbers on packages, on condition that there is no risk of that giving the goods an apparent origin different from their real one; Packing, unpacking, change of packings, repair of packings, decanting and simple transfer into other containers; Fixing goods on stands for packaging or for their presentation; Simple sorting and classification operations; Dividing up of goods, if only simple operations are involved; All handling intended to ensure preservation of goods in sound condition during storage such as airing, drying (even by means of artificial heat), refrigeration and chilling, addition of preservatives, fumigation and sulphur treatment (anti-parasitic), greasing, anti-rust painting, application of protective coating for transport	100
The goods specified	Examination, testing and putting into working order of machines, apparatus or vehicles, if only simple operations are involved; Mixing of goods other than liqueurs, brandy, wines and other spirits, if only simple operations are involved; Mixing of liqueurs with one another; Mixing of potable spirits with one another; Coupage (ie mixing) of wines, and other current oenological practices; Dilution of spirits with water with a view to reducing their alcoholic strength; Desalination, cleaning and butting of hides; Crushing of dried vegetables	

Fat content of whole milk

In a written reply on 17 June, Minister of Agriculture, Fisheries and Food, Fred Peart, explained the arrangements on the fat content of whole milk for liquid consumption, which are to be applied in the UK from 10 October this year.

Answering a question from Walter Johnson, MP, Mr. Peart said that 'EEC Regulation No. 1411/71 had been amended to allow member states the choice between a system based on standardised whole milk containing at least 3.5 per cent fat and one based on non-standardised whole milk with its natural fat content unchanged but subject to a minimum of 3 per cent. The system was to be implemented not later than 1 October 1976.

'We have notified the commission,' he went on, 'that the United Kingdom will adopt the system based on non-standardisation, which will, in fact, enable us to continue with our present arrangements for whole milk.'

EEC fish imports from third countries

On 11 June, the EEC commission adopted a regulation (No. 1354/76) suspending imports of frozen cod falling under tariff heading 03.01 B I h 2. The regulation which came into effect on 12 June (*Official Journal* L153, 12 June 1976) applies to imports into the community from third countries: 'minced fish' is excluded from the regulation.

The suspension does not apply to imports which comply with the reference price of 385 units of account per metric tonne. At the current representative rate for the pound sterling (the 'green pound' rate), this is equivalent to £219.2982 per metric tonne.

The current reference prices for fresh, chilled and frozen fish have applied since 1 January, and are set out in EEC Regulation 3375/75. Coefficients to vary these prices for different presentations are given in EEC Regulation 1196/75.

The new regulation has been made under Article 19 of EEC Regulation 100/76 which authorises the commission to take action if the entry price for a given product imported from any third country is lower than the reference price.

Other similar regulations currently suspending fish imports below the reference price are:

889/76 relating to frozen hake and saithe whether whole or in fillets

1251/76 relating to fresh or chilled cod.

Mutual recognition of EEC medical qualifications

A further move towards the mutual recognition of doctor's qualifications in the community took place last month when the advisory committee on medical training held its inaugural meeting.

The committee's task is to help to ensure a comparably demanding and advanced standard of medical training throughout the community in accordance with directives* adopted by the council on 16 June. The directives, due to come into force by December, will enable doctors and specialists, whether salaried or self-employed, to practice and provide medical services anywhere in the community, if they are nationals of the member states and have qualified in a community country.

The first directive contains lists of the mutually recognised qualifications of general practitioners and specialists, articles on established rights, and provisions intended to facilitate the effective exercise of the rights to establishments and freedom to provide services in respect of medical practice.

The second directive, on co-ordination of the provisions laid down by law, regulation or administrative action in respect of the activities of doctors, specifies that all member states shall ensure that access to medical practice shall be conditional on the possession of a diploma guaranteeing that the person concerned has the required specific professional and scientific knowledge, as well as adequate clinical experience. The directive also defines the minimum duration and content of training in general and specialist medicine.

The council also agreed two decisions: the first establishes a committee of senior officials for public health which will be concerned with noting and analysing any difficulties which may arise from the implementation of the directive concerning the right of establishment of doctors; and the second sets up an advisory committee on medical training concerned with the level of training in the community both for general practitioners and specialists.

Since the doctor's directives were adopted progress has also been made in discussions on two draft directives on nurses, which have been held since the doctor's directives were adopted. The draft directives are to a large extent being modelled on the doctor's directives, where appropriate, except that they relate to general nursing qualifications only and not specialist nursing qualifications. It is proposed that they also include quality criteria in training and that an advisory committee on nursing training should be set up which will include experts from the practising professions, from establishments responsible for nursing training and from the competent authorities, all drawn from the various member states. The committee would have the same objectives and functions in the field of nursing as the advisory committee on medical training in the medical field.

Discussions have also begun on similar draft directives on midwives and consideration of draft directives on other health professions is also expected to take place.

* 75/362/EEC and 75/363/EEC (Case 2/74, 21 June 1974, and Case 33/74, 3 December 1974).

More on the EEC

Information on EEC matters and about member states can often be found in other sections of 'Trade and Industry'. For this week's additional news, turn to the following pages:

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Choosing a business partner elsewhere in the community

The commission of the European communities set up tbe business co-operation centre to encourage co-operation between firms in different member states wishing to increase competitiveness and respond to the opportunities opened up by access to the community's markets. Co-operation is defined as pooling one or more activities of partner firms: for example, in research and development, supplies, production, marketing and sales and management.

A firm seeking the centre's help will be asked to provide certain information about itself, and to define exactly what type of partner and what type of co-operation it wants. All the information supplied, and any inquiries received, are treated as strictly confidential, and no names are revealed without the agreement of all parties. Tbe centre will search its files for a suitable partner, and if, the application cannot be matched with an offer already registered, will, if the firm agrees, circulate a summary of the firm's requirements, with no names mentioned, to the 'correspondents' which it has in every country of the community.

It is as one of the centre's correspondents in this country that we reproduce the latest batch of requests for co-operation. Readers wishing to obtain further information should write direct to the centre at the following address, quoting the reference number of the request(s) in which they are interested: Business Co-operation Centre, rue Archimede 17, B-1040 Brussels. The centre makes no charge for its services.

Reference BRE/3908/813
French privately owned bank, deposits and loans, clientele of private persons and medium-sized firms, having 15 branch offices in Paris, south west and south of France, 150 employees, seeks contact with private banks in other EEC countries, of compatible size and same range of activities, with a view to acting as each other's correspondents for foreign operations, on a permanent reciprocal basis.

Reference BRE/3988/471
German manufacturer of mechanical grey cardboard and paper for the manufacture of corrugated cardboard, in different qualities (Schrenz, Wellstoff and Duplex), turnover of DM50 million, 200 employees, wishes to achieve an economic and financial (by exchange of shares) integration with British firm, in the same activity (for an agreement leading to product specialisation), or whose activity is complementary with the German company's, eg production of corrugated cardboard, recycling of old paper, or small paper-mill.

Languages: German, English.

Reference BRE/3972/48
Italian firm, specialising in inner rubber coatings for chemical containers, also engaging in outer protective rubber coatings for tubes, pipes, cylinders, turnover 50 million lire, 35 employees, seeks British partner who could supply him with additional know-how in the field of external coatings, in order to develop such a production for the Italian market.

Languages: Italian, French.

New EC Legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is now published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757, ext. 7174/482/408). Other information may be obtained from the reference point given at the end of the item.

Common agricultural policy

The texts of the following regulations and decision which affect the various sectors in the EEC have been published in the *Official Journal of the European Communities*:

Seeds and plants. Decision 76/508/EEC authorising France to permit temporarily the marketing of certified seed of red clover of a variety not admitted in the community (*Official Journal* L147, 5 June 1976).

Fruit and vegetables. Regulation (EEC) 1329/76 laying down protective measures applicable to imports of dessert apples originating in Chile (*Official Journal* L150, 9 June 1976).

Milk and milk products. Regulation (EEC) 1325/76 supplementing Regulation (EEC) 1063/69 establishing the list of bodies authorised to issue certificates pursuant to Regulation (EEC) 1062/69 (*Official Journal* L149, 9 June 1976).

Wine. Regulation (EEC) 1334/76 amendng Regulation (EEC) 588/76 on detailed rules for the distillation of table wines for which the distillation contract must be approved before 15 April 1976 (*Official Journal* L151, 10 June 1976).

Cattle, beef and veal. Regulation (EEC) 1351/76 amending for the seventh time Regulation (EEC) 320/73 on the determination of prices of calves and adult bovine animals on representative community markets (*Official Journal* L153, 12 June 1976).

Cereals. Regulation (EEC) 1353/76 on the qualities of durum wheat for which aid may be granted under the system of aid for durum wheat for the 1976/77 marketing year and amending Regulation (EEC) 1257/76 (*Official Journal* L153, 12 June 1976).

Fish and fish products. Regulation (EEC) 1354/76 suspending imports of frozen whole cod (*Official Journal* L153, 12 June 1976).

Processed agricultural products. Corrigendum. The *Official Journal* L147, 5 June 1976, contains the following correction to Regulation (EEC) 1060/69 (published in *Official Journal* L141, 12 June 1969) fixing the quantities of basic products considered to have been used in the manufacture of the goods covered by Regulation (EEC) 1059/69:

Page 7, Annex:
The figures '174', '66', '41' and '116' opposite subheadings 21.07 A III, 21.07 B I, 21.07 B II a) and 21.07 B II b), respectively, should appear in the column 'durum wheat' and not the column 'common wheat'.

1 Opposite subheading 19.02 B II a) and b) the following figures should appear in the appropriate columns:

	Common wheat	Sugar	Whole milk powder
19.02 B II a)	14	55	12
b)	90	25	25

2 The figure '12' opposite subheading 19.08 B II b) should appear in the column 'butter' and not the column 'whole milk powder'.

ACP/EEC Convention of Lomé

Corrigendum. The *Official Journal* L147, 5 June 1976, contains the following correction to Regulation (EEC) 706/76 (published in *Official Journal* L85, 31 March 1976), on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories:

Page 2, Article 14 (2), heading No. 20.06 B II a) 9 ex aa) indent and ex bb) indent; heading No. 20.06 B II b) 9 ex aa) indent and ex bb) indent; heading No. 20.07 B II b) 8 bb) ex 11 indent:

The word 'pomegranate' should each time be replaced by 'passion fruit'.

Common customs tariff

The *Official Journal* L153, 12 June 1976, contains the text of Regulation (EEC) 1352/76 on the classification of products falling within heading No. 15.02 of the common customs tariff.

Harmonisation of legislation

Outward processing. The *Official Journal* L153, 12 June 1976, contains the text of Directive 76/527/EEC on the calculation of total or partial relief from import duties under the outward processing procedure.
Further information: HM Customs and Excise, International Customs, Branch 1, King's Beam House, 39/41 Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2174.

Applications for copies of the 'Official Journal of the European Communities' containing the legislation referred to should be made to HMSO and not to the inquiry points given in the notices.

Suspension of CCT on parts and components for maintenance and repair of aeroplanes

Unladen weight exceeding 15,000kg

An application has been made to the EEC commission for a total suspension of the common customs tariff (CCT) duty on the following:

CCT tariff heading	Description
ex 85.21 DII	Diodes, transistors and similar semiconductors, such as electronic microcircuits, for those products which are set out in the list of goods for the maintenance and repair of aeroplanes of an unladen weight exceeding 15,000kg. (See Annex II of Regulation (EEC) 3074/75 – obtainable from HMSO.)

If any UK producers consider that they are, or will be able to supply any of the above items, or that a suspension of duty for any of them would be detrimental to their interests, they should inform the Department of Trade, General Division, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ, tel. 01-215 5515. **Representations should be received by 9 July 1976.**

OTAR helps exporters to EEC

If you export to EEC countries OTAR handouts on the following subjects may interest you:

- Circulation certificates
- Documentation – transit certificates
- Invoicing requirements
- Temporary suspensions of duty
- Preferential trading arrangements between third countries and the Community
- Labelling of products

Copies of these and other handouts can be obtained free of charge from the Department of Trade's OTAR section. OTAR helps exporters needing information about the tariff and other requirements of all overseas countries.

Telephone or write to:

Overseas Tariffs and Regulations Section (OTAR)
Export Services and Promotions Division

Department of Trade
Export House
50 Ludgate Hill
London EC4M 7HU
Tel. 01-248 5757, ext. 408/439/482
(EEC general inquiries)

Temporary suspension of the EEC common customs tariff

The Department of Trade gives notice of applications which have been made to the EEC commission by the member states of the community for new suspensions of the common customs tariff. The goods in question are described in the lists below. If these proposed new suspensions of the CCT receive the unanimous agreement of the nine member states it is intended that they should come into operation on 1 January 1977.

United Kingdom requests

The United Kingdom has put forward the applications set out in the list below, which are for the total suspension of the CCT in each instance. If these proposed suspensions are granted, UK importers will be able from January 1977 to import the goods from any source free of duty.

If any UK companies are already manufacturing any of the products referred to, or expect to do so shortly, and believe that a suspension of import duty would be detrimental to their interests, they should notify the Department of Trade accordingly.

Tariff heading	Description
02.01 BIIb)2	Tongues for use in the canning industry
08.05 AII	Almonds
29.04 CV	2,2-Bis(bromomethyl)propanediol
29.16 BVI	3,5-Di-iodosalicylic acid sodium 5-(2,4-difluorophenyl)salicylate
29.23 BII	3-Chloro-4-(4-chlorophenoxy)aniline
29.35 Q	Cambendazole (INN) Ronidazole (INN)
29.44 C	Sodium (7*S*)-3-carbamoyloxymethyl-7-methoxy-7-[2-(2-thienyl) acetamido]-3-cephem-4-carboxylate
39.02 CVIa	Copolymers of styrene and butadiene, containing not less than 20 per cent by weight and not more than 28 per cent by weight of butadiene, in the form of clear, colourless granules
39.03 BVa)2	Carboxymethylcellulose, sodium salt, containing not more than 0.35 per cent by weight of sodium chloride and not more than 0.15 per cent by weight of sodium glycollate

Other member states' requests

Applications have been put forward by the other member states in respect of the goods listed below and in each case a total suspension of the CCT duty has been proposed.

The Department will wish to take account of United Kingdom interests in making its views known to the community of nine before decisions are taken whether or not to grant the proposed suspensions.

United Kingdom producers are entitled to object where they consider that they are able to supply the whole or the greater part of the needs of the community of nine and that their interests would be affected adversely by the loss of community preference on exports to the original community, or by the loss of or a reduction in tariff protection in the United Kingdom which a suspension of the CCT would entail.

As a member of the community, the United Kingdom will normally adopt fully any new CCT suspensions which are agreed by the Council except where United Kingdom producers object on the grounds that they can meet the greater part of the United Kingdom demand, but not that of the community of nine. In the latter event, the United Kingdom transitional tariff will be aligned in accordance with the final stage of the transitional timetable set out in Articles 39 and 59 of the Treaty of Accession towards the suspended level of the CCT, instead of being reduced immediately to the suspended CCT rate.

United Kingdom producers who wish to object to the granting of a proposed suspension of the CCT listed below or the immediate adoption by the United Kingdom of any of the proposed CCT suspensions, should provide as much as possible of the following information:

1 estimated community (nine countries including the United Kingdom) demand in 1976 and 1977;

2 estimated United Kingdom demand in 1976 and 1977;

3 United Kingdom production expected to be available in 1976 and 1977 for:
3.1 the United Kingdom market
3.2 the rest of the community
3.3 exports to other countries.

Tariff heading	Description
07.04 B	Edible boletus, boletus luteus and chanterelle mushrooms, dried, for the food processing industry
08.02 AII	Bitter or Seville oranges, fresh or dried
08.05 AII	Almonds (other than bitter almonds), fresh or dried, shelled or not, whole
28.38 C	Potassium peroxodisulphate
29.07 A	2,2-Di-(3,5-dibromo-4-hydroxyphenyl) propane
29.23 DV	Sodium 2-cyclohexa-1,4-dienyl-*N*-(2-methoxycarbonyl-1-methylvinyl) glycinate
29.25 AII	*N*-Hydroxymethylacrylamide
29.31 B	Benzenethiol 2-Diethylaminoethanethiol hydrochloride
29.44 C	3-Hydroxy-2,4,7,14-tetramethyl-9-oxo-4-vinyltricyclo[5.4.3.0^{1,8}]tetradec-6-yl glycollate
30.01 B	Human plasma
30.04	Reinforced sterile surgical tape for cutaneous sutures ('Steri-strip')
39.02 CXII	Poly(acrylic acid), slightly cross-linked
39.02 CXIVb	Copolymer of ethylene and chlorotrifluoroethylene, in forms covered by Chapter 39 Note 3 (b)
39.03 BVa)2	Hydroxypropylcellulose
39.06 B	Hydroxyethylstarch
39.07 EII	Vacuum plated plastic sports figures, vacuum plated plastic decoration for sports trophies and plaques
70.20 A	Flakeglass (ground glass fibres of length 0.1mm to 3mm and having a diameter of 3 micrometres)
76.16 D	Aluminium extrusions in lengths of 4 ft, vacuum plated-gold, bronze, green, etc.
83.06	Vacuum plated metal risers, stamped vacuum plated caps, hardware for the assembly of trophies and metal trophy columns

Representations

Any representations in respect of the proposed new suspensions of the CCT put forward by the United Kingdom and the other member states of the community, should be made in writing and sent to the Department of Trade, General Division, Room 332, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ, not later than 16 July 1976. Inquiries: 01-215 5515 (chemicals) and 01-215 3576 (other goods).

Technical, Chemical, Electronics, Engineering, Medical, Legal and Commercial Translations

- FRENCH
- GERMAN
- SPANISH
- ITALIAN
- PORTUGUESE
- JAPANESE
- GREEK
- ARABIC
- RUSSIAN
- DUTCH
- SWEDISH
- FINNISH

etc., etc.

ALL LANGUAGES TRANSLATED

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Birmingham Office: TEMPLE HOUSE, 43-48 NEW STREET, BIRMINGHAM B2 4LH Tel: 021-643 4577

Manchester Office: 39 GEORGE STREET, MANCHESTER M1 4HQ Tel: 061-236 2321

Head Office: 27 MONTAYNE ROAD, WALTHAM CROSS, HERTS Tel: Waltham Cross (0992) 39822 and 25541

TECHNICAL SPECIFICATIONS
INSTRUCTION MANUALS
LEGAL DOCUMENTS
CORRESPONDENCE · PATENTS, ETC.

ENCIRCLE TI 83 ON PAGE 823 FOR FURTHER INFORMATION

Eliminating technical barriers to trade within the EEC

Tony Dakin of the Department of Prices and Consumer Protection's Metrology, Quality Assurance and Standards Division looks at some highlights of progress in the industrial sector.

The governments of member states of the EEC are responsible, among other things, for drawing up legislation aimed at protecting the safety and health of people in industry and the community at large, and the environment. Naturally, the requirements laid down in this legislation have, in the past, differed quite widely from one country to another, thus creating 'technical barriers' to trade. Under Article 100 of the Treaty of Rome, member states are enjoined to produce legislation aimed at eliminating these barriers.

In its final form Article 100 legislation emerges as directives. These are statutory instruments which create obligations on the member states. Directives may stipulate either total or optional harmonisation. In essence total harmonisation requires each member state to lay down prescribed requirements agreed on a community-wide basis, allowing only products which meet those requirements to be placed on the member's market. Optional harmonisation requires each member state not to hinder the placing on its market of products which conform to prescribed requirements agreed on a community-wide basis.

In May 1969 the council of the EEC issued a general programme for elimination of technical barriers to trade, listing the areas of activity in which it was felt that directives abolishing these barriers were desirable. The programme was subsequently up-dated by a council resolution on industrial policy of 21 December 1973. This listed over 100 separate areas where technical barriers to trade existed. Draft proposals for directives on these subjects were to be forwarded by the EEC commission to the council of ministers, for adoption, over the four-year period from January 1974 to January 1978.

The position at present is that more than 40 of the 64 directives adopted by the council have come into force, while a further 65 have been sent to the council and are awaiting decision. Of these, 18 proposals on which basic progress had come to a standstill because of technical differences of opinion have been incorporated into a package deal which is now being debated in Coreper. The aim of this, and indeed any package, is that member states should give up their reservations on the individual directives as part of an overall agreement.

The texts of all adopted directives are published in the 'L' (Legislation) series of the *Official Journal of the European Communities*, available from Her Majesty's Stationery Office. The texts of all commission proposals are published in the 'C' series (Information and Notices) of the *OJ*.

A brief outline of some of the progress that has been made in various sectors under the general programme is given below.

Motor vehicles

So far, 25 directives have been adopted by the council and a further 13 are before it. Those adopted cover steering equipment, braking devices, interior fittings, and location and attachment of statutory plates and inscriptions. In the light of recent developments it has been necessary to re-submit some of these, eg braking devices, to the commission for adaptation to technical progress.

Agricultural tractors and machinery

Eight directives have been adopted so far, including those on steering equipment and radio interference. A further eight have been forwarded to the council by the commission. In many areas, such as those directives covering maximum authorised weight, work is only at a preliminary stage in the commission.

Metrological directives

Eighteen directives have been adopted so far, and nine more are before the council. Considerable success has been achieved in harmonising units of measurement, and directives should soon be in force on the application of these units – for example, the recently adopted directive on the making up by weight or by volume of pre-packaged products. There are still difficulties ahead, however, in harmonising measuring instruments themselves.

Consumer goods

One of the main areas in this field is that of electrical equipment. The UK is in the process of implementing a directive on low-voltage electrical equipment, and another, dealing with equipment for use in explosive atmospheres, has recently been adopted. Proposals for the suppression of radio-interference in various fields are now with the council.

A proposal on cosmetic products is due for adoption shortly, and directives on the nomenclature and analysis of textile products are being implemented. Another area of importance for the consumer concerns the prevention of leaching of substances into foodstuffs (eg, from lead and cadmium in tableware). A draft general directive has been presented to the council, but work in more specific fields still has some way to go.

Chemical and dangerous substances

The aim here is to ensure satisfactory classification, packaging and labelling of these substances. Directives adopted cover solvents, detergents and fertilisers, and work is in hand on pesticides and on paints, varnishes, glues and dyes.

Construction materials and machines

The progress in the first of these areas has been rather disappointing. Although the directives on cement, glass and ceramic tiles are due for adoption by 1 January 1977, they are still under discussion at commission level. Others are due for adoption by 1978.

A general framework directive on civil engineering equipment, a noise measurement framework directive, and a special directive on jack-hammers are now at council level. It is not certain how soon they will be adopted. Special directives are being prepared in the commission on the noise levels of cranes, lawn mowers, and current generators.

Extending the timetable

Although considerable progress has been made at commission level, work in the council has proceeded more slowly, and it seems certain that the timetable will need to be extended beyond its present limit. Indeed, it looks as if 1979 might be a more realistic forecast for the completion of the existing programme for the elimination of technical barriers to trade.

Into France
the market on your doorstep

Trade and Industry special report on France: interview with the British Ambassador, analysis of market opportunities, British export success stories, and statistics

Trade and Industry special report

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Britain's trade with France

Where enthusiasm and discretion pay
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A new boom might be just around the corner
by Gillian Samuel 6

Export successes

Think French and be flexible 12

25 June 1976

Population

	France	UK	West Germany
Population (1973)	52.7m	56m	62m
Civilian labour force (1973)	21.6m	24.5m	26m
of which			
Agriculture	10%	3%	7.5%
Industry	41%	42%	49.5%
Services	49%	55%	43%

Source: British Embassy

Principal cities and towns	Population (est)
Paris (greater Paris area)	9,250,674
Lille, Roubaix, Tourcoing (metropolitan area)	1,300,000
Lyon (conurbation)	1,152,000
Marseille	1,002,000
Bordeaux (conurbation)	612,456
Nice (conurbation)	445,000
Grenoble (conurbation)	389,000
Toulouse	383,176
Strasbourg (conurbation)	334,668
Saint Etienne (conurbation)	334,500
Nantes	266,208
Le Havre	212,032

Official public holidays 1976

Easter Monday	19 April
Labour Day	1 May (Saturday)
Ascension Day	27 May (Thursday)
Whit Monday	31 May
National Holiday	14 July (Wednesday)
Assumption	15 August (Sunday)
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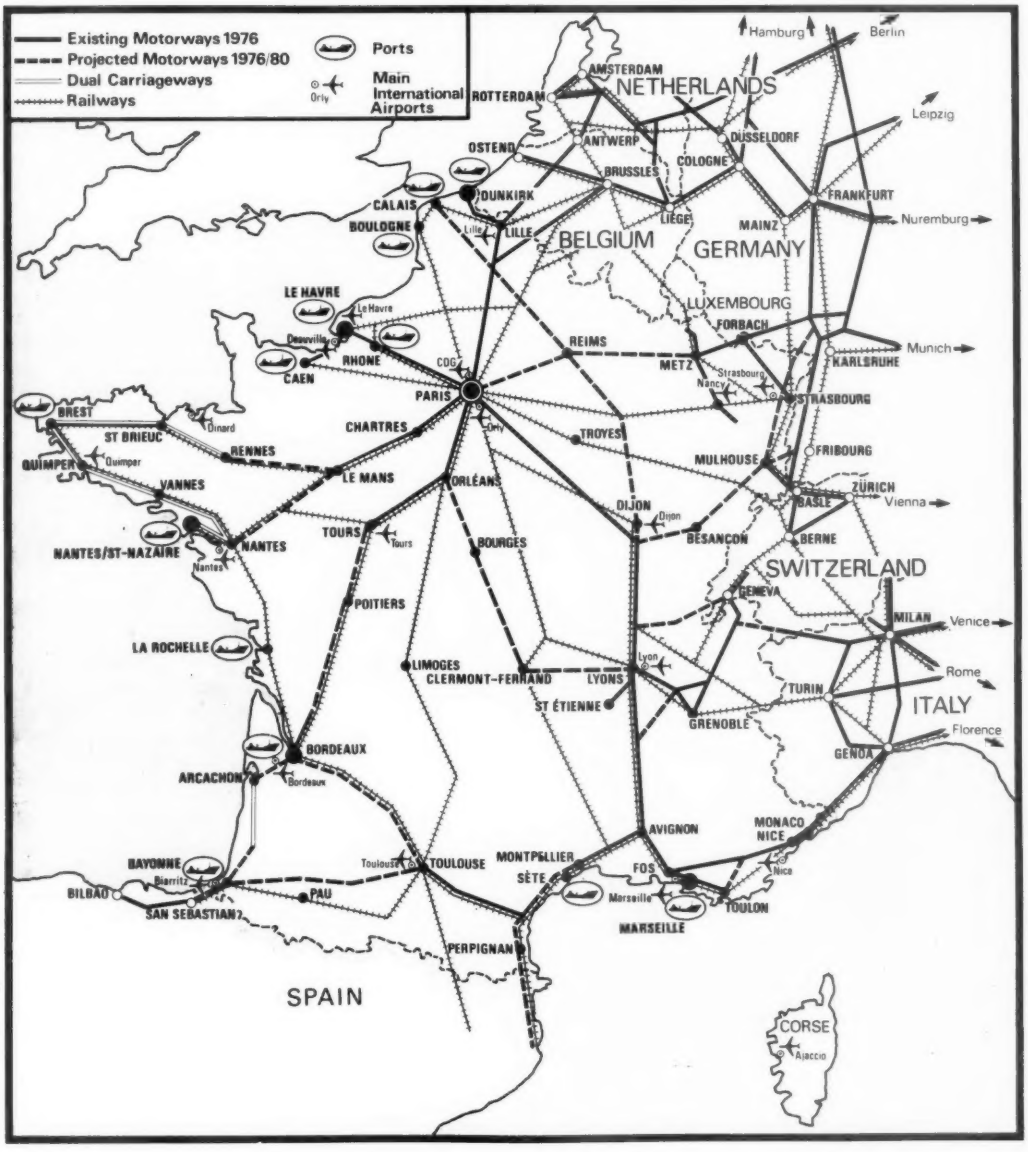
New Year's Day	1 January 1977 (Saturday)

In accordance with French commercial practice the British Embassy and Consulates observe all the above holidays and are closed for routine commercial business on Christmas Eve, Boxing Day and Good Friday every year.
The French usually extend official holidays which fall towards the end or near the beginning of a week to ensure that they have a long week-end. This practice is called 'le pont'.
Despite official efforts to encourage staggering of holidays, August remains a month in which business and industrial activity is at a low ebb.



1 GENERAL FACTS PAGE

France covers an area of about 213,000 sq miles. For administrative purposes the country is divided into 95 departments, each under a prefect responsible to the Ministry of the Interior. The departments are grouped to form 22 regions (see page 8).

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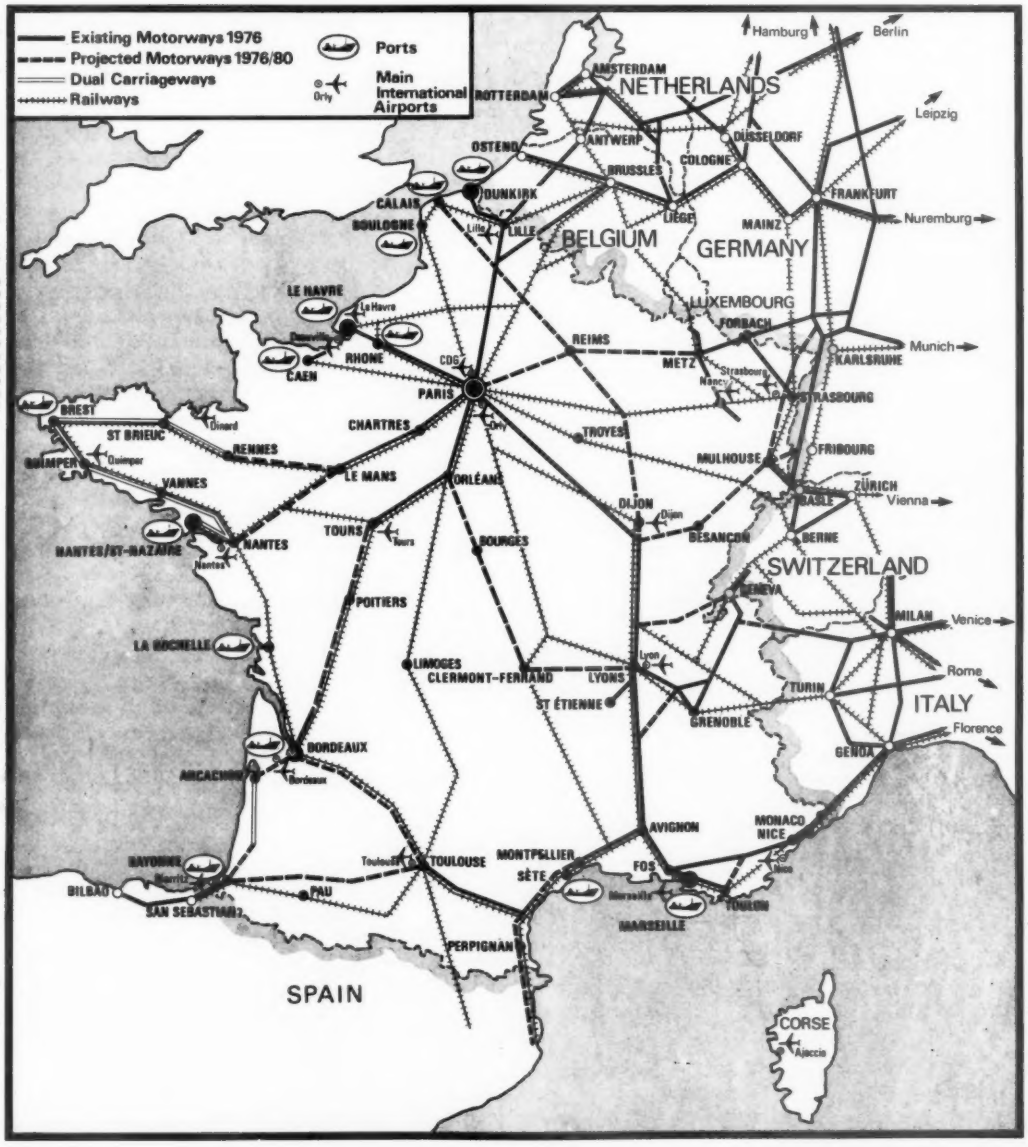

1 GENERAL FACTS PAGE

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BRITAIN'S TRADE WITH FRANCE

Where enthusiasm and discretion pay

by Edward Rayne, member for France on the European Trade Committee

The perspective gained through my involvement over the last 10 years, first with the Export Council for Europe and now with the European Trade Committee, in fostering British exports to France prompts me to suggest that our prospects have never looked better.

While of course many difficulties remain, the factors mitigating in our favour – not the least of which is the ever increasing recognition on the part of British industry and commerce, of what a wonderful market France represents – are without parallel in any period since the war.

And as politics and commerce become ever more inextricably linked, we very much welcome the French President's visit to Britain this week which can only further cement the close ties of friendship and business which exist between our two countries.

As a trading partner for Britain, France has enormous attractions for three important reasons. First, the French market is on our doorstep – a point which would hardly be worth repeating were it not for the evidence that, even today, the Channel seems to be a major psychological barrier, on the other side of which lies unknown territory.

I do not think that we can afford to cling to that view today. We have to face the fact that other markets, including that of France, are at least as prosperous and discerning as our own, if not more so. It simply does not make sense to design, produce and market a product purely for the British market when it could be successful in France, which is comparable in size and can be just as profitable. You may have to modify the product and you will certainly have to invest in workable marketing and distribution arrangements, but the rewards can be substantial.

The second reason is that France is a major national market within the EEC, with a fine record of economic growth. Nine months ago, the French government introduced a powerful set of reflationary measures. A major expansion of public expenditure was announced, and there was a substantial set of incentives to consumer expenditure. The effects of this reflation and the recovery in the United States and, especially, in West Germany have begun to appear in some sectors and the French government's latest forecast shows French GNP increasing by 5 per cent in 1976 (see page 6).

The third reason for taking the French market seriously is that it is a market with which our trade has already expanded very considerably. Last year, for the first time we sold over £1,000 million worth of goods to the French market (see above). This represents a significant advance over previous years.

It could be a lot better. Our imports from France still outweigh our exports by a ratio of about three to two. This year and next will provide a real opportunity to make up the lost ground. Our share of the market has already risen to 4.9 per cent in the first quarter of 1976 from 4.5 per cent in the same period last year. With EEC import tariffs against UK goods continuing to fall until the middle of next year, when they disappear completely, there is no reason why this progress should not continue.

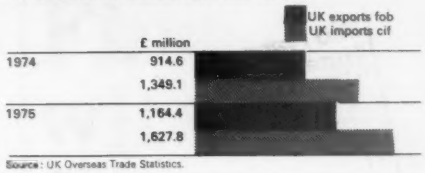
France is our number three export market, while Britain is France's number four export market. But in 1975 our crude trade deficit with France grew from £434 million to £464 million. Part of this increase comes from the agricultural and foodstuffs sector (see page 2). France's strength as a food producer, and the inevitable uncertainty of trade in foods from year to year, means that we cannot count on any permanent improvement in this part of the deficit. Nevertheless, in 1975 British exports to France of meat and meat preparations increased by about 70 per cent.

But a larger part of the deficit falls in the manufactured product categories. There is no reason at all in manufacturing industry why we should not be able to compete with French firms in their home market – but if we do not make the effort, we will not make the money. We are constantly hearing of the unfulfilled export potential of the motor industry, but there is no room for complacency in any of our industries. The exchange advantages of sterling, together with the continued growth which is expected in the French market, could help British industry to make up the lost ground. And there are already encouraging signs of progress (see page 2).

Explanations for our present trade deficit with France tend to revolve around the view that France is a difficult market where the rewards come slowly – though in footwear, my own industry, France is only one of several markets which have been neglected in favour of a comfortable British home market, and which are being snapped up by firms in Italy and elsewhere. I have heard France described as 'a market which needs to be approached with enthusiasm and discretion'. I think that sums it up quite well. What we in Britain should see in the French market is its distinctive, national character, which needs to be taken into account at every point in selling products – in both the capital and consumer goods markets. The French are proud of their national tastes and traditions, and they do not like to think of their goods as imported. And while French technical specifications and design are very often different from British ones they can often easily be incorporated in British goods for export to France. You need to know what all this implies for the prospects of your particular British product.

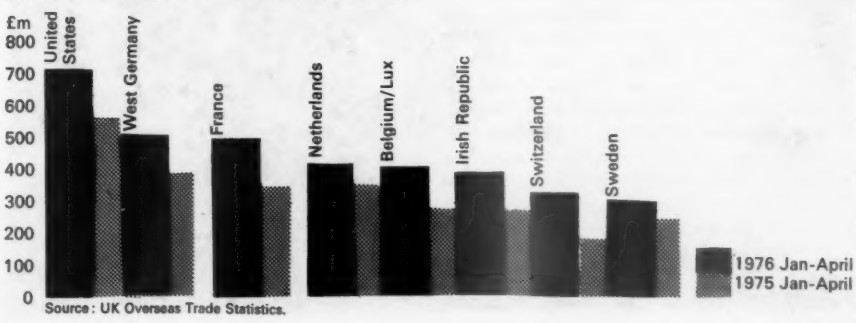
In selling to France, there is no alternative to knowing your market and knowing your distribution system (see page 11). The French market is generally regarded as conservative by west European standards (though this is not always the case) and like many other nations the French will not buy an imported product when a French product will do just as well or better. It has certainly been my experience that the French set the

UK trade with France: 1974 and 1975



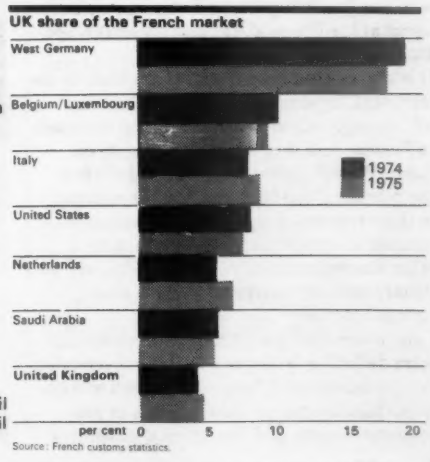
Source: UK Overseas Trade Statistics.

France – the UK's number three market



Source: UK Overseas Trade Statistics.

UK share of the French market



Source: French customs statistics.

BRITAIN'S TRADE WITH FRANCE
continued

highest standards in design and quality and they expect the goods they buy to meet these standards. I would say that France is a quality-oriented more than a price-oriented market.

Equally important is the need to choose the right distribution and marketing arrangements, and to give adequate support to whichever channels you select. Agency arrangements (see page 12) are popular for selling consumer goods, either on an exclusive basis or through an independent importer, but more and more firms looking for real volume business are setting up their own marketing subsidiaries. I have heard many times the complaint that agents are failing to do their job effectively, or are devoting a disproportionate amount of their efforts to promoting someone else's product. Of course there are good and bad agents, and the Department of Trade, with its embassy contacts, can help in picking a reputable agent. But as likely as not the trouble lies in failure to make arrangements for regular contact with the agent and proper monitoring of his performance. France is not a market which you can afford to dabble in. It is not usually enough to appoint an agent to get on with the job. You must keep in close touch with the market and also, if you do not have your own direct representative, with the agent.

The moral is really 'be prepared'. Many, perhaps most, British firms exporting to France are unwilling to make the necessary investment in the exporting effort to ensure success, and consequently there is always danger that they will waste what little they do spend. This is unwise in any market in which sales can be substantial and profit margins as high as in Britain or higher. In France, where so much can depend on creating the right French image for your product, spreading the export effort too thinly can be a recipe for disaster. At the least, an exporting firm needs to have someone at a senior management level who can speak French, and who can visit the agent at least once a year and preferably more than once.

It is also essential to do your homework on the technical, legal and customs requirements which apply when you are planning to export to France, and then to keep up to date on them. We still have a long way to go before the market of the Nine has become common in these respects. French requirements are sometimes complicated, like those of most other European countries. But as they are also strictly enforced you need to know how they affect you.

I am aware that this catalogue of advice can seem daunting on paper – and in my introduction to this survey I have not referred to such important matters as participation in promotional events, and the regional pattern of the French market. In perspective, the problems are not overwhelming for a firm, large or small, which treats exporting as more than a part-time activity. Government services can be a great help (see page 5). The commercial department of the British embassy is, in my view, one of the best in the world. The services of the British Overseas Trade Board at Export House, too, are highly effective and are there to be used. While they can never replace work in the field they can make a real contribution to the preparatory homework.

We all believe in enthusiasm and discretion when launching a new product in Britain – and we all believe in the British market's ability to respond to a good product, well presented. The same approach will succeed in France. If you can capture the French market – which is perhaps the most exciting market in Europe today – your success around Europe and the world is assured.

French exports

	Fr million	1974 / 1975	Share of exports % 1975
West Germany	37,882		
	38,931		16.5
Italy	25,636		
	21,576		9.6
Belgium/Luxembourg	24,900		
	22,784		10.2
United Kingdom	14,380		
	14,533		6.5
Netherlands	11,823		
	11,703		5.2
United States	10,771		
	8,159		3.6
Switzerland	13,062		
	10,613		4.7
Spain	6,544		
	5,913		2.6
Algeria	6,178		
	8,136		3.6

Source: French customs statistics.

UK trade with France by commodity: 1975

exports fob / imports cif

	£ million	
Food and live animals	130	
	299	
Crude materials	43	
	49	
Mineral fuels and lubricants	21	
	72	
Animal and vegetable oils and fats	2	
	3	
Chemicals	109	
	132	
Manufactured goods	191	
	214	
Machinery and transport	515	
	596	
Miscellaneous manufactured articles	119	
	117	
Other goods	11	
	65	

Source: UK Overseas Trade Statistics.

UK/French trade

Improving trend — £ million

	1st qtr. 1973	1st qtr. 1974	1st qtr. 1975	1st qtr. 1976
UK imports from France cif	215.9	−312.5	394.3	449.8
UK exports to France fob	149.8	212.4	262.2	384.2
Crude balance	−66.3	−100.1	−132.1	−65.6

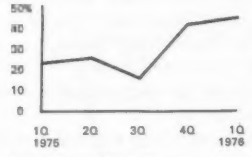
Source: UK Overseas Trade Statistics.

Increasing share of the market

	1st quarter	2nd quarter	3rd quarter	4th quarter
1974	4.4%	4.3%	4.5%	4.5%
1975	4.5%	4.6%	4.6%	5.1%
1976	4.9%			

Source: French customs statistics.

Rising rate of increase over same quarter previous year

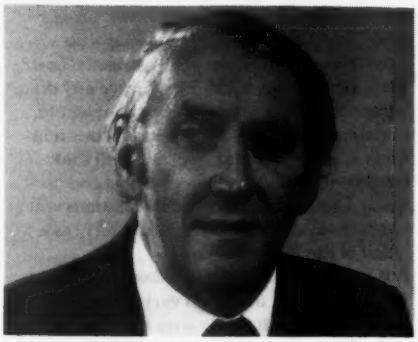


Source: UK Overseas Trade Statistics.

Water Skates developed by Air Cushion Equipment Ltd. of Southampton in position under a ship section at the Toulon shipyard of CNIM in southern France. The Southampton company have supplied CNIM with six 'A' size Water Skate modules which have already been successfully used to move and locate ship sections weighing between 61 and 117 tons.

INTERVIEW: HM AMBASSADOR TO FRANCE

A challenge which won't be shirked



Ambassador to France Sir Nicholas Henderson discusses the nature of the French market and aspects of the British export performance in an interview with Gillian Samuel.

Sir Nicholas, this week's visit to London by President Giscard d'Estaing is the first state visit from France for 16 years. Is the timing significant?
I think the timing is very important for both political and economic reasons. On the political side, our membership of the community is now firmly established and I think we have to create a correspondingly new relationship at the top – and indeed at all levels of government – within which the community policies of both of us can be conducted. The French have institutionalised a very close political relationship with the Federal Republic of Germany in the 1963 treaty. This provides for frequent meetings at top level which I am sure is of benefit to both countries. We have nothing similar to that, and nothing like it is necessary or appropriate for us, but I am sure that the President's visit to the UK this month could be useful in promoting a closer high-level political relationship.
On the economic side, there are indications for the rest of the world of an upturn following the difficult times which we have all experienced, and we have a lot of things in common here. At the same time there are a lot of joint projects which we have undertaken, and which we should have undertaken as neighbouring European powers, and I am sure that it is in the interests of both of us that these should be given the kind of overall governmental blessing and encouragement that might help to promote them.

On the subject of joint projects, to what extent do you think the successful collaboration in the Concorde project was a watershed in our relations?
I think the Concorde project is important, not simply because of the technological achievement it represents, but also because of the highly successful collaboration that has been necessary for the project to reach fulfilment. I visited Toulouse not very long ago and I have also visited the project in the UK, and on both occasions it was perfectly easy to see how difficult this could have been. I was struck in both cases by the extremely positive and forthcoming attitudes expressed by the French and by the British about the way they had collaborated and their belief that without such collaboration and the pooling of resources we would never have been able to carry it out.

The British performance in the French market has shown signs of improvement recently, but our share – approximately 5 per cent – is way behind that of several of our EEC partners. Does our late EEC entry explain our low penetration of the French market?
I think it is right to be realistic about the relatively low performance of British exports into the French market compared with that of other important neighbouring countries and of the United States. For example, we have, as you know, 4.9 per cent of French imports and the Federal Republic of Germany has 19 per cent. So there is a long way to go before we are doing as well as we ought to be. I think one of the interesting things here is that historically our trading relationship has not always measured up to our exchanges in the arts, architecture and social life.
Coming up to the present day, I think that the great increase of French commerce, and of course French industry, owes a great deal to the existence of the European community and our non-membership of the community was a great impediment to the growth of our trade here. I think that it is completely right to take the view that membership of the community will change this.
We might then ask ourselves why – now that we have been in for three and a half years – there has not been a more marked change. I think the truth is that the first few months of our membership were overshadowed by the enormous crisis of confidence occasioned by the revolutionary increase in oil prices. And, as far as Britain's membership was concerned, there was uncertainty caused by re-negotiation. But we have been wholehearted, fully-committed members since the results of the referendum last June. I am confident that this fact will have an important effect on our trade with France, and I am basing my opinion, not just on hopes, but on figures – over the last four months our exports have gone up 45 per cent!

France still has a reputation as probably the most protectionist market of the EEC. If this is true, can you blame the British exporter for concentrating elsewhere?
I think that it is perfectly true historically that France has been rather inward looking. However, now that we are all members of the European economic community, we are all subject to the same regulations and this should change the picture. Of course there are still different traditions that prevail. And France is an ambitious industrialised nation with a will to see all sectors of industry thriving. But I think that the British trader doing business in France has to make direct acquaintance with the commercial possibilities, and, if possible, to avoid thinking that just because it was difficult then it is equally difficult now. The Germans and Americans have not been

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INTERVIEW: HM AMBASSADOR
continued

deterred by such considerations.
I like to think that the British manufacturer and British exporter will see the French market as something of the same sort of challenge as they saw other markets in earlier times. The British traditionally were people of tremendous enterprise at trading, people who discovered and exploited markets overseas, and I cannot believe that they have changed so radically, that they are daunted by different things or a different approach. So I do not think they will shirk the challenge as far as the French market is concerned.

To what extent do you think our disappointing share in France can be laid at the door of the British exporter himself for not doing his homework, or for simply giving up too easily?
Well, as you say, there has been disappointment. I think that it is partly due to the circumstances I have just mentioned and partly due to general problems of our economic situation that are familiar to you. But I do not think that, judging by the trade figures as they are at present, the picture is as black as all that. Last year we exported £1,164 million worth of goods to France. And I hope that it is now not too early to speculate that our exports to France will be £1,500 million in 1976. Indeed, these figures show that many of our exporters are learning how to approach the French market. Determination, persistence and thorough market research are essential. Great attention should also be paid to communications, language, respect for delivery dates and after-sales service. France is a sophisticated market which requires sophisticated marketing techniques.

Do British exporters make sufficient use of the services available through the embassy and the consulate-general network?
No, I do not think that they do. This is particularly true of the services offered by our five regional consulates-general. Frankly, it is a pity from their point of view that they do not make more use of a range of services, which I think is remarkably thorough and imaginative. We helped a great many visitors last year – over 2,000 British visitors came to call on us here in the embassy with a wide variety of inquiries about the nature of the market and how to attack it and there was a similarly large number of French visitors. Those are very considerable figures, especially since they exclude all the inquiries made by letter or by telephone, which numbered several thousand. The embassy also provides very thorough market reports on particular areas of French industry. There is one I remember on the French pleasure boat market, saying that the French have a prosperous country, more time for leisure, and plenty of coastline. This is an incredible area of opportunity and I took the chance of sending a copy to that well-known yachtsman, Edward Heath, who, not because of any personal friendship with me, wrote back and said it was a remarkably useful piece of work.
There are many others – on telecommunications, machine tools and on selling consumer goods, for example. I personally am not convinced that British manufacturers – in particular those who hope to export – are taking as much advantage of what we can provide as they could.

Some would-be exporters to France are discouraged by what they see as an unusually close relationship between the French government and civil service on the one hand, and commerce on the other. Could a disagreement at government level prejudice the exporter's chance of success at the commercial level?
Well, firstly, I do not think we have any disagreement at government level that would impair our trade. On the contrary, our relations at governmental level are such that would encourage trade between us and certainly I think that our general relations will blossom rather than fade, particularly as a result of the President's visit.
But I think you have touched on an important point. I think it is very important for people wanting to trade with France to have contacts across quite a wide board. They should have contacts with the authorities concerned as well as with the immediate trading partners.

We seem to have a poor reputation in France for reliability. Is this justified?
We have been through a difficult time – and it was a difficult time – particularly in our own industrial relations, productivity and investment capacity, and our performance in the export market was a reflection of these domestic difficulties. But I am quite sure that as soon as this situation changes – and it has changed quite remarkably in recent times – it will reflect itself in the sort of performance that the importer requires. These things are very infectious. A good performance in one area often leads to good business in others – word travels fast in France. The French are also sensitive about careless investment. While they clearly wish to keep control of key industries, such as computers and telecommunications, they still welcome reliable exporters and investors in most areas who help French industrial development and provide healthy competition for their own industry.

The impression of British manufacturers that France is traditionally mainly an agricultural country, continues to exist. Do you think the 1973 Hudson Institute's prediction that France was set to become Europe's leading industrial power by 1985 has any chance of coming true?
I am quite certain that France will continue the enormously rapid and successful industrial development that has been particularly marked over the past 15 years or so. I am quite sure that British manufacturers and exporters would do well to be aware of the consequences of this for their own chances. And if any of them think of France as primarily an agricultural country they are in considerable error. You have only got to visit France and drive around to see what an extraordinarily advanced technological and industrial power it is. And British exporters should not forget that France is an admirable base for expanding trade, not only with western Europe and the Mediterranean, but particularly with francophone countries in Africa.

The official services in France

The activities of the British embassy in Paris and the five consulates-general (Bordeaux, Lille, Lyon, Marseille and Strasbourg) are shown below. The list is not exhaustive or especially detailed, since the diversity of work undertaken is enormous. The official services in France respond readily to new ideas and can provide help and introductions, and names of contacts in a very wide range of French industry. They can provide advice on how to go about market research in almost any area. The extent of the official services depends a good deal on how much they are used by British firms.

The British Chamber of Commerce, France, which operates in close collaboration with the British embassy in Paris and the consulates-general, offers other services such as a well equipped modern office for businessmen and specialised advice by selected panels. They have also had success in promoting contacts between British and French industry through such means as conferences, lunches and presentations.

Market information

Market reports (produced or about to be produced)

Machine tools, Telecommunications, Nuclear industry, Catering equipment, Medical and hospital equipment, Electronic components, Packaging machinery, Warehousing, Carpets, Garden tools, Furniture, Hypermarkets, Mail order, Selling to hotels, Pleasure boats, Food, Marketing consumer goods in France

Export Intelligence Service
Market pointers, Specific export opportunities, Agency inquiries (**see Agency Inquiries**), Tenders, Miscellaneous

Visits
Wide range of contacts and market information obtained from over 3,000 visits to firms in 1975.

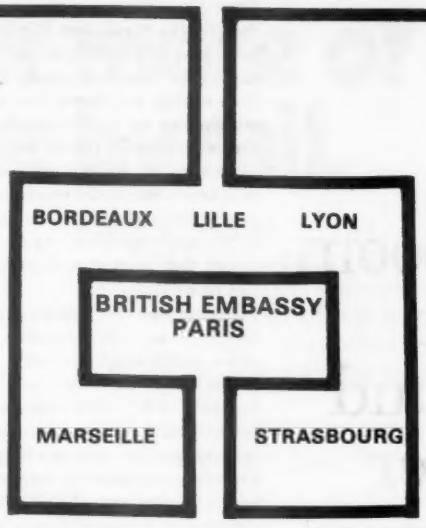
Lists of contacts, firms
1 Obtainable through BOTB and Regional Offices.
2 Special lists compiled on request if not obtainable at 1.

Agency Inquiries

1 Finding agents for British firms – a high rate of success has been achieved.
2 Expressions of interest by French importers in representing British firms are reported through EIS.

Regional visiting

Consulates-general and British embassy, Paris, conduct regular visiting programmes in provincial industrial sectors to obtain market information, identify opportunities, publicise the official services and encourage inward investment.



Trade Fairs

1 Organisation of joint ventures at Paris.
2 Monitoring all French trade fairs.

Inward missions

1 Recommending inward missions to the UK of buyers, technical directors, journalists, etc, and industrial sectors (machine tools 1974 and 1975, printers 1976, medical equipment 1977, invisibles 1977).
2 Arranging targeted buying missions – Renault, Carrefour, Prisunic (all 1976).

Presentations

Facilities offered by the embassy and consulates-general for:
Small seminars.
Film shows.
Product presentations.
Receptions.

Direct contacts with firms

1 2,500 British business visitors in 1975 plus at least 5,000 contacts by letter or telephone.
2 Help and advice provided on eg setting up a company in France, transport, VAT, how to obtain specialised advice, etc.

Contact with British Chamber of Commerce

1 Close liaison on all matters of mutual interest.
2 Joint ventures for the promotion of certain industrial sectors and also of trade fairs in the UK, in particular at the NEC, Birmingham.

Contacts with public authorities

Provision of a wide range of contacts in governmental and local institutions in conjunction with other departments in the embassy.

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Into France
the market on your doorstep

MARKET REPORT

A new boom might be just around the corner

As industrial production and optimism for renewed growth in France begin to rise, Gillian Samuel examines some of the prospects for British exporters in the French market.

A monument to boom in Paris : part of the skyline of La Défense.

For at least 15 years now France has been in the grip of a revolution. While the UK has been busy negotiating to enter and then stay among the Nine, our nearest neighbour has been raising, not barricades, but foundations which some say could make her Europe's leading industrial nation well before the end of the century. Indeed the sheer momentum of France's industrial revolution – industrial production and national income have tripled in 20 years – has given her a better growth record than even West Germany since 1967 (see below).

Like everyone else, though, France has been hit by the post-1973 recession and her growth plans, which had been moving ahead at an average annual rate of nearly 6 per cent since the early 1960's, have been quite seriously interrupted during the past two years.

A turning point came last September with the French government's reflationary package which injected some Fr 30 billion into the economy in the form of social benefits, public works, industrial projects and credit relaxation. In some sectors, particularly cars and domestic appliances, a recovery had already begun, but the package's short-term VAT concessions also fuelled a flurry of activity in the industrial goods field at the turn of the year. As 1976 has gone on, clearer, more substantial signs of a reprise have emerged through the fast-climbing index of industrial production and, by 6 April, Minister of Finance Jean-Pierre Fourcade was claiming that France was two-thirds along the road to complete recovery.

Last month's publication of the latest French national plan – the seventh since the War – added to this rising wave of optimism by setting average annual growth targets of 5 per cent for this year and between 5.5 and 6 per cent from 1976 to 1980. But the most encouraging target of all, as far as the resumption of the French industrial programme is concerned, is the planned devotion of no less than 18-19 per cent of GDP to investment in plant and machinery by 1980. The emphasis will be on the development of domestic capacity, especially in the middle technology and machine tool industries.

While there is increasing confidence that recovery and renewed growth are just around the corner, there's no ignoring the fact that France remains preoccupied with the lingering after-effects of recession. Unemployment is still high – with some 950,000, or 4.4 per cent of the workforce, out of work – and inflation, running at 9 per cent, is nearly twice the rate to be found in West Germany. But, if she can conquer these problems – the aim is to bring inflation down to 6 per cent and unemployment down to 600,000 by 1980 – France has the will and the necessary infrastructure to go for all-out growth and the completion of her industrial revolution in the coming five to 10 years.

The centres of growth

The Paris region was undoubtedly the epicentre of French industrial growth during the pre-1973 boom period and the signs are that it will continue to be the focal point for the expansion to come. Over 60 per cent of all French industrial activity, notably in the metal working, engineering and motor vehicle manufacturing sectors, is located here. And in Paris itself, among the monuments to the boom, probably the most symbolic – and controversial – is the Manhattan-like skykine of the brand new business district, La Défense, on the western outskirts of the city.

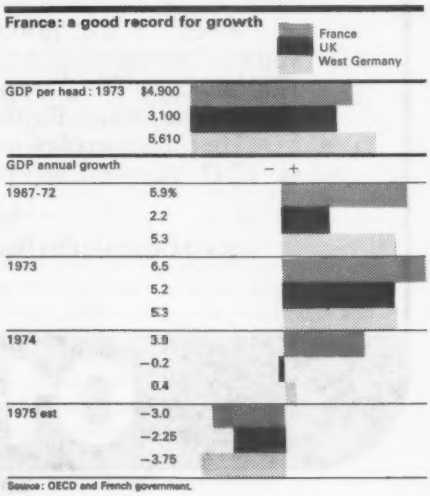
But government efforts are being made to disperse some sectors of French industry from Paris and, partly as a result, the Rhône-Alpes region to the south and the Nord-Pas-de-Calais department to the north have also been making vital contributions to overall French industrial activity and exporting strength.

With 9 per cent of the total population of France, Rhône-Alpes centres on three principal cities – Lyon, Saint Etienne and Grenoble – and in 1974 the region's exports accounted for nearly 10 per cent of the national total. Rhône-Alpes' resources in terms of hydro-electric power and the concentration of a wide range of research establishments and industries – particularly the textile, chemical and metallurgical industries – already make it an area worthy of attention. But rapidly improving communications, including a growing network of motorways which should give easy access to Switzerland and Italy by the end of 1978, a new international airport at Satolas, near Lyon, a planned fast rail link to Paris and the Rhône-Rhine canal project, will establish Rhône-Alpes as a major industrial centre in France during the years ahead.

France's third biggest exporting region after Paris, with over 8 per cent of total industrial production, is the Nord-Pas-de-Calais. Its very geographical position – some 20 miles off the English coast and a stone's throw from Belgium – has made it increasingly popular with British firms interested in setting up a subsidiary operation in France. Textile production is the major industry here, but the metallurgical and engineering industries, including coal mining and machine tools, as well as the chemical industry are also well represented.

At the centre of the region, metropolitan Lille, which incorporates Roubaix, Tourcoing and Armentieres, is fast becoming an important cross-roads in the European community, the hub of a motorway network to Paris, Dunkirk, Brussels, the Ruhr, Ghent, Antwerp and Tournai, and the junction of a canal system linking Calais, and Dunkirk to Belgium and the Ruhr. This, plus large-scale extensions to the port of Dunkirk – which now rivals Antwerp, Rotterdam and London for

France: a good record for growth



Source: OECD and French government.

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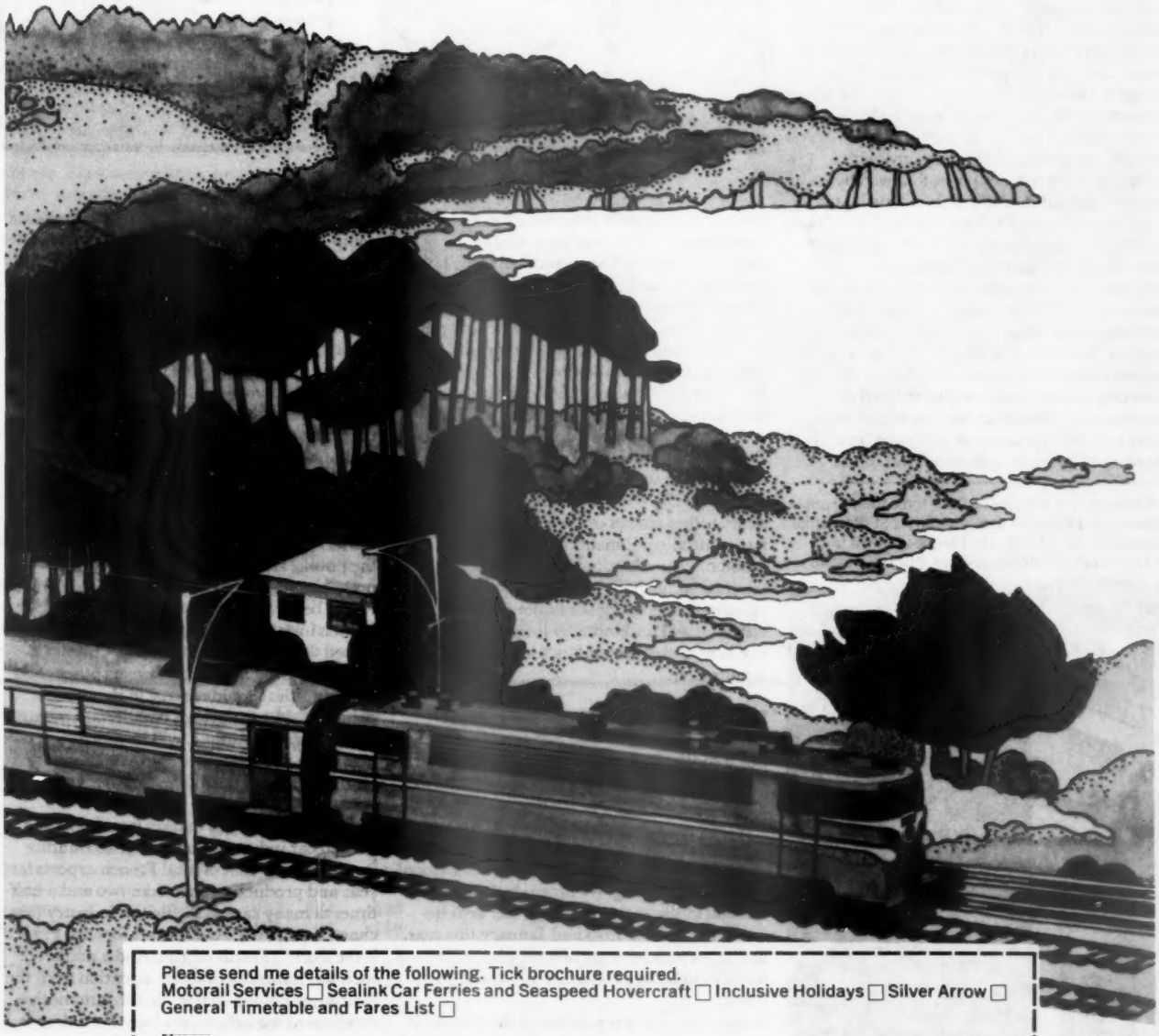

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MARKET REPORT
continued

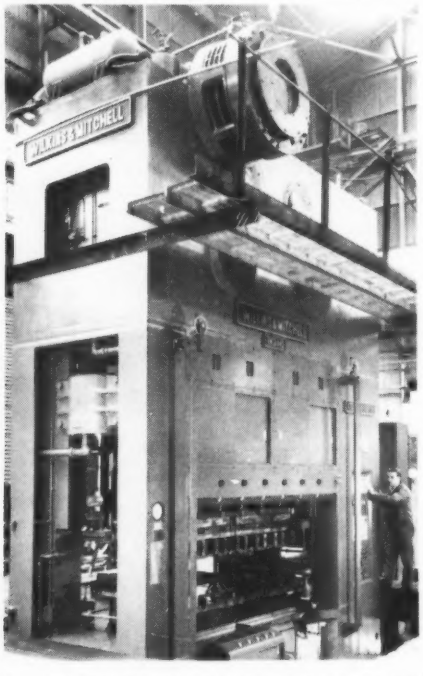
the handling of containerised cargo, oil and petrol shipments and bulk commodity traffic – means that the Nord, like Rhône-Alpes, has all the basic infrastructure for continued industrial expansion.

An emphasis on machine tools

Although there may be initial regional variations as French industry gets off the ground once again – Rhône-Alpes, for example, which was the last region to be affected by the recession, expects to be the last to recover – the expected reprise will mean renewed investment in all of these industrial zones. And, as we have seen, a good part of that investment is expected to go to the machine tools sector. France is currently a net importer of machine tools and, at the moment her biggest supplier is West Germany, with about half the total imports, followed by Italy and Switzerland. The UK is in fourth position with sales of machine tools worth £8.6 million in 1974, a figure which makes France one of our largest customers in the field.

A recent French government plan on the industry points to increased production and a reversal of the trade deficit as the major objectives between now and 1980. This will mean a restructuring of the industry, the production of more numerically-controlled and sophisticated machines for key industrial sectors and the manufacture of types of machine tools not yet made in France. And the list in this last category is a long one. It includes broaching, grinding and gear-cutting machines, vertical lathes, multi-spindle lathes and drilling machines, transfer presses, hot forging presses, multi-head punching presses, shears, nibbling machines and wire drawing machines. Government will support the research and launch of new products, and will also provide aid for the acquisition of numerically-controlled machines, including training and advisory services.

But it is not only the French machine tool industry which will need this transplant of foreign machine tool know-how and equipment. Other sectors of French industry – agricultural equipment, nuclear engineering, automobile production, shipbuilding and telecommunications – also have on-going investment programmes or major expansion in view and will undoubtedly look to foreign machine tool suppliers for at least part of their requirement.



A Wilkins and Mitchell 1,000-ton capacity press being assembled at the company's Staffordshire plant before shipment to France where it is installed at the works of Paris-Rhône in Lyon.

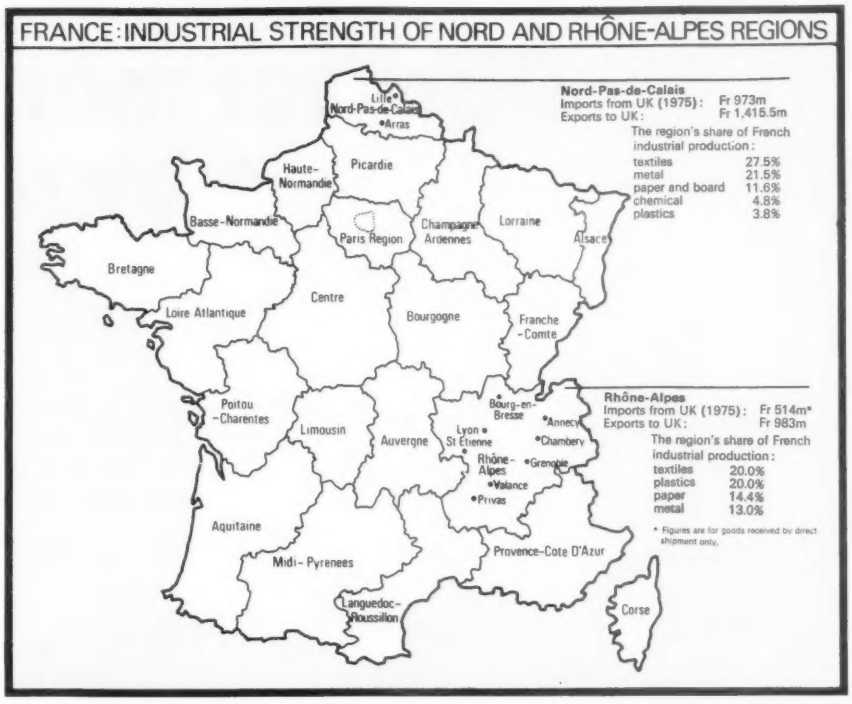
Electronic components – the revival spreads

But if continuing caution among French manufacturers does not promise real growth in the machine tool market much before next year, the same cannot be said of the market in electronic components. There are already signs that a general revival in the international market is spreading to France. Industrial production in this sector grew by 7 per cent between September 1975 and January this year, and an overall increase of 6 per cent is forecast for 1976 to bring production back to 1974 levels.

Recognising the key position of the electronic components industry on the French industrial scene generally and the need to maintain a competitive edge against the US and Japan, the government has decided to provide considerable support and financial aid, especially in the field of research and development, during the next five years. By 1979, it has been predicted that the French market in electronic components will be the largest in Europe (see chart right) – but even now, it is a market that British manufacturers cannot afford to ignore. The 1979 forecast is even more optimistic as far as the telecommunications market is concerned. And last month the French government announced a Fr 104,400 million investment programme which will give top priority to the development and modernisation of the telephone system, more than doubling the 7 million telephone lines currently in use in France.

But the best opportunities for the British manufacturer of electronic and semi-electronic switching systems are in the *private*, not the public, sector. And the best way of approaching this extremely competitive market would be through a joint venture with a French installation company. As orders are placed for a new generation of electronic exchanges during the next two years other good opportunities should emerge in the components field – integrated circuits and micro processors, for example, will be much in demand – and it goes without saying that a large quantity of telephone cable will be needed.

While the electronics market is reviving, the French car industry is booming, accounting for over 10 per cent of total French exports last year and producing more than two and a half times as many cars as the British industry (see chart on page 10). As a market for cars, France is the world's fourth largest. And a market of such size naturally deserves attention from the British car manufacturer. British automotive component manufacturers have been slow to realise the enormous potential of this market. French automobile manufacturers are beginning to look abroad for more competitively priced components in order to remain competitive themselves. With good quality and attractive prices British component manufacturers could do much better in this field.



MARKET REPORT
continued

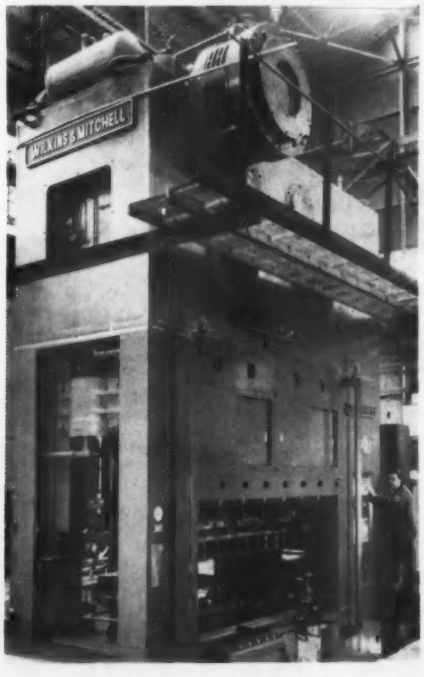
the handling of containerised cargo, oil and petrol shipments and bulk commodity traffic – means that the Nord, like Rhône-Alpes, has all the basic infrastructure for continued industrial expansion.

An emphasis on machine tools

Although there may be initial regional variations as French industry gets off the ground once again – Rhône-Alpes, for example, which was the last region to be affected by the recession, expects to be the last to recover – the expected reprise will mean renewed investment in all of these industrial zones. And, as we have seen, a good part of that investment is expected to go to the machine tools sector. France is currently a net importer of machine tools and, at the moment her biggest supplier is West Germany, with about half the total imports, followed by Italy and Switzerland. The UK is in fourth position with sales of machine tools worth £8.6 million in 1974, a figure which makes France one of our largest customers in the field.

A recent French government plan on the industry points to increased production and a reversal of the trade deficit as the major objectives between now and 1980. This will mean a restructuring of the industry, the production of more numerically-controlled and sophisticated machines for key industrial sectors and the manufacture of types of machine tools not yet made in France. And the list in this last category is a long one. It includes broaching, grinding and gear-cutting machines, vertical lathes, multi-spindle lathes and drilling machines, transfer presses, hot forging presses, multi-head punching presses, shears, nibbling machines and wire drawing machines. Government will support the research and launch of new products, and will also provide aid for the acquisition of numerically-controlled machines, including training and advisory services.

But it is not only the French machine tool industry which will need this transplant of foreign machine tool know-how and equipment. Other sectors of French industry – agricultural equipment, nuclear engineering, automobile production, shipbuilding and telecommunications – also have on-going investment programmes or major expansion in view and will undoubtedly look to foreign machine tool suppliers for at least part of their requirement.



A Wilkins and Mitchell 1,000-ton capacity press being assembled at the company's Staffordshire plant before shipment to France where it is installed at the works of Paris-Rhône in Lyon.

Electronic components – the revival spreads

But if continuing caution among French manufacturers does not promise real growth in the machine tool market much before next year, the same cannot be said of the market in electronic components. There are already signs that a general revival in the international market is spreading to France. Industrial production in this sector grew by 7 per cent between September 1975 and January this year, and an overall increase of 6 per cent is forecast for 1976 to bring production back to 1974 levels.

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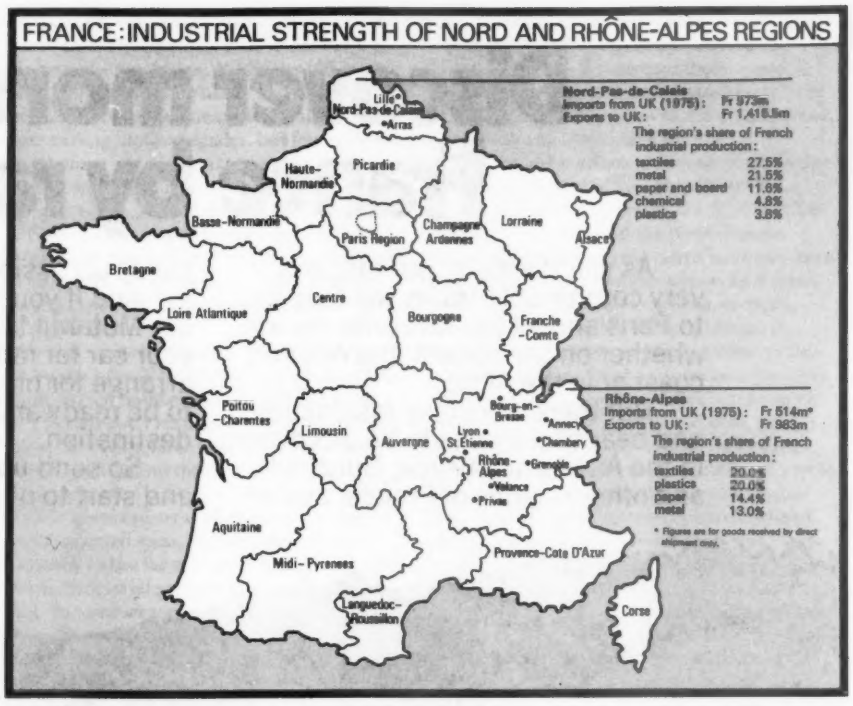


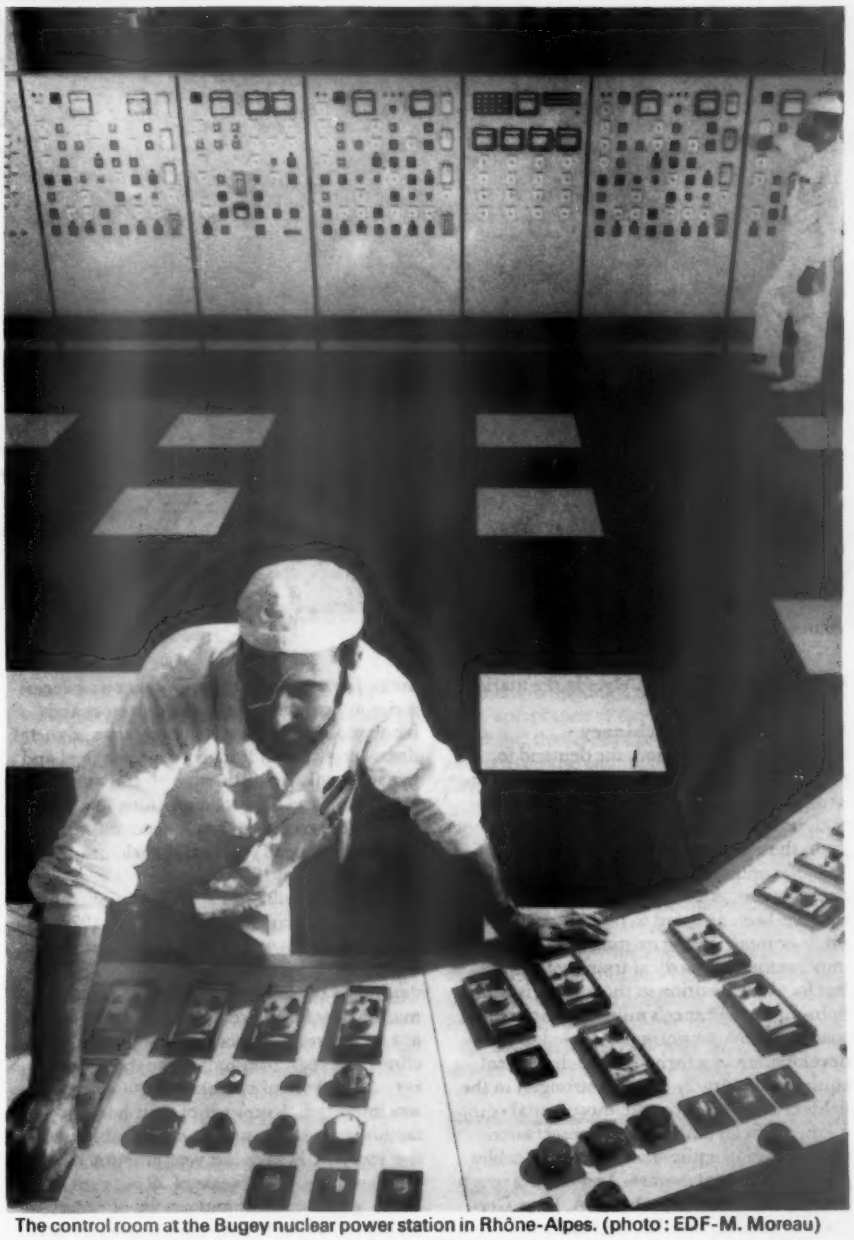
A leader in the nuclear field

Another potentially fertile area for the British component firm is the French nuclear industry. France's determination to be a leader in the nuclear energy field is reflected in a busy nuclear programme during the next five years. In addition to its 1974 programme which provides for the establishment of at least 12 generating stations, the French Electricity Authority has taken a further decision for 1976/77 which will bring seven reactors into operation by 1980. A further two 1,300 MW reactors will probably be incorporated in the 1978/79 programme, which should give rise to a mini-programme of eight generating stations by 1980.

Since there is little or no reciprocity on equipment between nuclear power producing countries, the French Electricity Authority has made it clear that equipment for the French programme would not normally be ordered from overseas, but that some components might well have to be imported. And it is for this reason that the British manufacturer would do well to investigate the opportunities for a number of products – flow meters, sodium level indicators, piping, high precision stainless steel tubes, metallic insulation materials, electrical control equipment, blowers, brass condenser tubes, turbine blades, tubes for heat exchangers, critical filtration equipment and many others.

Last year the French Atomic EnergyAuthority (CEA) placed orders for British scientific and research equipment worth Fr 2.5 million, including lasers, high vacuum equipment, mass spectrometers, tele-manipulators and ultra-rapid cameras. And the prospects in this area continue to be good. Last September's reflationary package allocated a total of Fr 230 million to the CEA for the EURODIF diffusion plant at Tricastin and for nuclear power generation, as well as for nuclear materials, nuclear safety studies and fundamental research in nuclear physics.

The industrial features of the Franco-German agreement on fast breeder reactors have still to be worked out, but the agreement will certainly create a powerful Franco-German base in the nuclear energy field. And if British firms want to win a respectable slice of the business which will ensue, there is no time to be



The control room at the Bugey nuclear power station in Rhône-Alpes. (photo: EDF-M. Moreau)

France's big demand for electronics

European electronics equipment, instruments and components market 1974 and 1979 — £ million

Country	Computer EDP and data		Control instrumentation		Radio and other communication		Telecommunications		Consumer electronics		Electronic components		Totals	
	1974	1979	1974	1979	1974	1979	1974	1979	1974	1979	1974	1979	1974	1979
Germany	466	893	584	939	155	261	620	729	929	1,221	1,091	1,057	3,825	5,105
Belgium	89	170	68	116	8	12	109	247	84	130	200	335	558	1,010
Netherlands	103	179	88	119	55	69	118	170	135	171	153	253	652	961
France	**553**	**1,154**	**242**	**587**	**256**	**691**	**503**	**1,753**	**340**	**669**	**584**	**1,135**	**2,478**	**5,989**
Italy	163	229	99	147	57	98	236	336	180	442	254	360	989	1,612
Spain	57	90	55	85	24	49	129	204	101	208	75	137	441	773
Switzerland	47	88	70	131	21	41	66	114	84	106	106	184	394	664
Austria	24	43	16	40	5	9	39	67	61	96	121	183	266	438
Sweden	53	96	54	84	44	58	88	134	118	139	159	221	516	744
Norway	24	49	30	45	23	45	41	55	38	59	56	82	212	335
Denmark	29	46	23	39	11	16	27	43	57	68	68	100	225	312
Finland	19	37	25	32	8	11	22	36	36	54	61	84	171	254
												Totals £m	10,727	18,191

Source: Capital goods committee of European Trade Committee.

Tourcoing, part of metropolitan Lille. (photo: La Redoute)

lost in establishing themselves in the market.

Equipment and machinery

During the boom period, the demand for medical equipment in France was increasing at an average rate of 10 per cent annually and, under the provisions of the sixth national plan, the government earmarked a total of Fr 3,500 million for investment in the public health sector. A sizeable proportion of this sum has been assigned to building new hospitals or modernising existing ones and to the improvement of medical training facilities.

But local competition in the market is strong. Spin-off from France's military, nuclear and space research programmes has led to the development of a thriving French medical equipment industry which is strongest in the fields of X-ray equipment, most dental equipment, artificial limbs, organ conservation units, catering equipment, operating tables and laboratory glassware. And there is tough competition, too, from the USA, West Germany, Holland, Sweden, and Italy.

But British equipment has already made an important impact on the market and there are excellent opportunities in a number of areas, from anaesthetic equipment and accessories, ultrasonic foetal pulse detectors and incubation equipment, to porcelain and metal dental crowns and bridges, neurosurgical and gynaecological instruments, blood counters and foam bandages, to name but a few.

Despite the recession, France remains the leading European market for agricultural machinery. And 1975 was a record year, with the turnover rising to Fr 7,400 million, 3.8 per cent higher in volume terms than in 1974. Investment aid given by the government in last September's reflationary package, which undoubtedly contributed to the 1975 upsurge, mainly benefitted French manufacturers. And although overall imports in this sector declined last year, over half of the tractor market – 39,000 out of a total of 75,000 units – was imported. A number of British manufacturers are increasingly active in this lucrative sector. UK sales last year amounted to £41.5 million, an increase of 59 per cent over 1974's £25.8 million, and among our most successful products were agricultural cultivating machinery, accessories and spares, and combines and engines.

In the field of mechanical handling equipment, France has become the world's third largest manufacturer behind the USA and West Germany, ahead of Japan and the United Kingdom, and the industry's exports have consistently outstripped imports. But, despite the strength of the home industry, which now represents 15 per cent of GNP, foreign manufacturers have managed to secure 35 per cent of the market. And West Germany has the lion's share (41 per cent) of this foreign stake.

Although the UK is fourth in the foreign suppliers' league table with exports worth Fr 143 million, this country still has an adverse balance of trade in mechanical handling equipment. But it might be possible to learn a lesson or two from the French manufacturers. Saxby/Otis-Matral, for example, who are proving that the way to hold off the West German and Japanese challenge is to join forces and regroup. And it is this sort of concentrated attack which could lead British manufacturers to a bigger share of the market.

Elsewhere in the machinery market, there are excellent opportunities in the French printing industry. An important sector of the economy with over 100,000 employees and 2,600 firms, the industry faces fierce competition, from Belgium and Italy in the printing of books and journals and from Germany in the catalogues field. With 53 per cent of all French printing activity, the Paris area cannot be ignored but, in the provinces, where the medium-sized printer is more prolific, there is a largely untapped market waiting for British manufacturers of presses, offset machines, typesetting equipment and bookbinding machinery.

A growing demand for consumer goods

Allied to the forecasted 5 to 6 per cent growth in GDP between now and 1980, which augurs so well for suppliers of industrial goods, is a predicted 3 per cent annual increase in French consumption, representing a steadily growing demand for consumer goods during the next five years. And in many sectors, especially cars and retailing, demand has been picking up strongly during the past 12 months. The

Domestic car production 1973-75

● 250 000

In France . . . thousands

	1973	1974	1975
Renault	1,293 ●●●●●	1,356 ●●●●●	1,290 ●●●●●
Peugeot	685 ●●●	634 ●●●	644 ●●●
Citreon	659 ●●●	599 ●●●	624 ●●●
Simca	560 ●●●	468 ●●	474 ●●
and in the UK			
British Leyland	876 ●●●●	739 ●●●	605 ●●●
Ford	453 ●●	384 ●●●	334 ●●●
Chrysler	265 ●●	262 ●●	216 ●
Vauxhall	138 ●	137 ●	99 ●

Source: French trade press.

Grenoble, one of Rhône-Alpes three principal cities. (photo : Merlin-Gerin)

outlook is particularly encouraging in the leisure goods, furniture, and furnishings, transportation and health and beauty sectors.

As a market for consumer goods, France is the world's fourth largest. It's a fact that the French people have considerably more disposable income than the British (see chart right). Their prices seem high because of exchange rates and VAT, but they earn, on average, 50 per cent more than we do and pay much less in direct taxes. It is important to remember, too, that although over 60 per cent of French business and industrial activity is concentrated in the Paris region, 75 per cent of this purchasing power lies outside, where tastes tend to be more conservative.

But if the French consumer has plenty of money to spend, there is no getting away from the fact that he is a demanding and discriminating customer who has traditionally represented something of a challenge to the British exporter. He knows what he wants in terms of fashion, quality and durability and is prepared to pay the price. He lives by the philosophy 'le bon marche coûte trop chèr'.

At the top end of the market there is the customer who will buy British for snobbish reasons, but it should be remembered that the 'made in Britain' tag is not an automatic passport to sales. When French buyers look for foreign products they are attracted by established German and Italian firms which have local distribution networks and a known tradition of good service. UK firms still have to prove their reliability. Their products are increasingly acceptable on functional, style and price grounds, but unless they measure up in these other fields too, there is no incentive for the buyer to change from the supplier he knows.

Generally speaking, then, British firms have a long way to go. But a number of manufacturers are already household names in France – Burberry, Twining, Matchbox, Rowntree-Mackintosh, Cadbury, Reckitt and Colman, Johnny Walker, and Leyland, to name but a few.

And the British are the only foreigners to have made their presence felt on the French retailing scene, with chain stores like Burton of London, Marks and Spencer, Habitat and Jaeger, while among the smaller retailers, W. H. Smith, Dunhill, Mappin and Webb, Laura Ashley and others have opened one or two shops.

When it comes to supplying goods, the lack of large outlets has, in the past, been a formidable obstacle for the British exporter of consumer products – 70 per cent of all retail sales in France are still made by small independent shopkeepers. But the face of French retailing is fast changing. The opening of hundreds of new stores – many of them hypermarkets, or discount supermarkets – on urban fringes and the growth of suburban commercial centres, such as Parly 2 and Rosny 2 near Paris or the Part-Dieu at Lyon, has led to the development of much more centralised purchasing patterns. And big down-town departmental stores, which were already important purchasing agencies – Au Printemps and Nouvelles Galeries, for example – have been forced to jump on the out-of-town bandwagon.

In the food retailing sector, the central purchasing agency has long had an important role, buying goods at the lowest possible price for one or more companies. Central agencies are equally active in other sectors, notably clothing, furnishings, domestic appliances and hotel supplies. But the British exporter should also be aware of two new types of agency which have recently made an appearance on the French retailing scene. The first is the trading contracts agency, which does not buy but establishes on what basis members will buy from suppliers, and the second is the selection agency, which establishes with manufacturers a selection of goods most suitable for sale in members' stores.

From strength to strength

Knowing the French distribution system, then, is an important factor in winning sales. But the key to success – in both the industrial *and* consumer goods markets — is total commitment to making a go of the French venture, acceptance of the fact that the market is different, that it requires certain priorities and needs time and money.

The upturn in our performance in the second half of last year (see page 2) would indicate that British firms are coming to terms with these aspects of the French market. They not only held their ground at a time when French imports were declining, but also managed to take advantage of the incipient reprise in the French economy which occurred at the turn of the year. And if this sort of competitive performance can be consolidated and improved in an expanding, tariff-free market during the next few years, Britain's stake in France should go from strength to strength.

French and UK wealth compared

	France	UK
Population end 1974 (millions)	52.6	56.0
Population increase net annual average (1963-73)	0.88	0.43
Gross domestic product 1974 (billion dollars)	271.0	185.4
Evolution of GDP at constant prices 1970-74 (in %)	22.5	11.0
GDP per inhabitant 1974 (dollars)	5,200	3,300
Index for 1974 of industrial production (1970 = 100)	124	108
Index for 1974 of consumer prices (1970 = 100)	136	147
Exports 1974 (fob, billion dollars)	48.7	36.6
Export performance % gain or loss of market shares (1962-72)	+1.0	−3.5
Imports 1974 (cif, billion dollars)	56.4	49.0
Car ownership per 1,000 inhabitants 1974	290	245
Telephones per 1,000 inhabitants 1974	215	340

Source : Visiaa, July 1975.

EXPORT SUCCESSES

Think French and be flexible

When it comes to selling goods in France there is no shortage of methods open to the exporter. Here we look at some of those methods and at some of the lessons learned by companies successful in the market.

There is no single right way of going about selling British goods in France. Many different successful formulae have emerged which vary according to the product, the size of the company concerned and quite simply, the amount of investment assigned to the enterprise.

Many firms still opt for direct selling in France. And this is often the best solution for the small or medium-sized company selling consumer goods and concentrating on a few major buyers in a few carefully selected product areas.

But for the smaller company with no export department and which cannot spare the staff for overseas travel, a UK export agent could be the answer. He will arrange for the sale and payment of goods – through a French agent if necessary – and organise all the necessary documentation. The Department of Trade can provide the names of companies which have achieved a good export turnover in this way.

In the French market the exporter can choose from three types of agent. The first is a commission agent – the voyageur représentant placier (VRP) – who is an employee of one, or possibly several, firms, receiving often a salary, as well as expenses and commission.

Then there is the commercial agent, or agent commercial, an independent businessman linked to his principal by a contract of mandate.

The third agent is the concessionaire, an independent importer/distributor, who buys goods for his own account and makes his profit on their re-sale. The concessionaire method is the commonest form of selling British products in France and it certainly saves the British exporter a lot of trouble once he has supplied his goods. But the result could be a loss of contact with the customer and the market and high mark-up on otherwise competitive products.

A company thinking in terms of a real presence in France might wish to consider the possibility of a joint venture with a French company in a complementary product field – with a reciprocal marketing agreement, for example. But few UK manufacturers have so far entered into joint ventures of this kind there is always the possiblity that one partner will get more out of such a deal than the other.

But this approach has proved particularly useful to certain firms whose main targets are third markets – co-operation with French companies has expanded potential areas of success, in North Africa, for example.

Another way of extending a British company into France is by means of a branch office. This will remain subject to UK law as far as legal rules on management and administration are concerned, although it must be in line with French exchange control, social security and tax rules, and is not recognised under French law as a separate legal entity.

In a loss-making situation, the losses of a branch office can be off-set against the profits of the UK head office. But any profits made by a branch office in France will be liable for French tax.

Probably the best way of selling in France, though, is by setting up a French subsidiary. This method gives the UK parent company complete control over its French operation, choosing its own personnel, setting its own prices and retaining close contact with the market. It has tax advantages over the branch office and, as a purely French company, is at an advantage when dealing with the French authorities and customs. Such a company will not necessarily make profits in the first two or three years, but it inspires a much greater confidence in potential clients who place much importance on contact in the French language and on after-sales service.

Many types of company are recognised by French law. But the two most likely to interest the British firm contemplating a subsidiary operation is the Société Anonyme (SA), which is equivalent to the British joint stock company, and the Société à Responsibilité Limitée (SARL), which is very similar to the British private limited company. The SA needs a minimum authorised capital of Fr 500,000 if appealing to the public for funds, or Fr 100,000 otherwise. Minimum capital for a SARL is Fr 20,000.

For the British company wondering how best to approach the market or thinking of setting up a French subsidiary, advice is available from a large number of well-established British legal firms in Paris. A list of these firms is available from the British embassy, or from the Department of Trade in London.

In the case of a subsidiary company, for example, firms will need to be aware of the very strict French labour laws and on-the-spot legal advice might prevent the illegal dismissal of an employee.

British embassy legal adviser Derek Wise, of the Paris-based firm Theodore Goddard, explained that local advice is also taken by firms negotiating large capital goods contracts which might involve payments over a period of time, or where the French party might be seeking after-sales covenants. Quite often though, as Mr. Wise pointed out, advice might be required because of simple language difficulties.

And the British professional presence in France does not stop at lawyers. There are also considerable numbers of bankers, insurance companies and accountants ready to provide advice across the whole spectrum of business activity in France.

But whatever the method – whether an employee sales force, an exclusive agent, a joint marketing arrangement, a subsidiary operation, or whether you bring your own retail outlets – there is no substitute for careful market research to make the most of an investment in France. As Nicholas Preston, capital goods member of the European Trade Committee, put it, 'The French market is very specialised and warrants very careful investigation before you decide to go in.

'I personally think it is very important to have a French outlet – either a sales company, your own agent, a manufacturing unit, or a totally-owned subsidiary – or to supply to a French organisation. But, above all, it is important to select the right people in France for your operation.'

With or without the right people, though, personal contact remains very important and the *only* way when selling direct to the French market. The French customer will take seriously the exporter who is prepared to demonstrate his commitment to the market by frequent visits which serve to build up a reputation for reliability and good service. And in the capital goods field, where business can take as long as two years to complete, even greater persistence may be required. Fluency in the language is equally essential. 'If you make an effort to speak French, however badly,' said Nicholas Preston, 'you will get a much better reception.'

In short, he said 'Going into France means you have to think French and be flexible.'

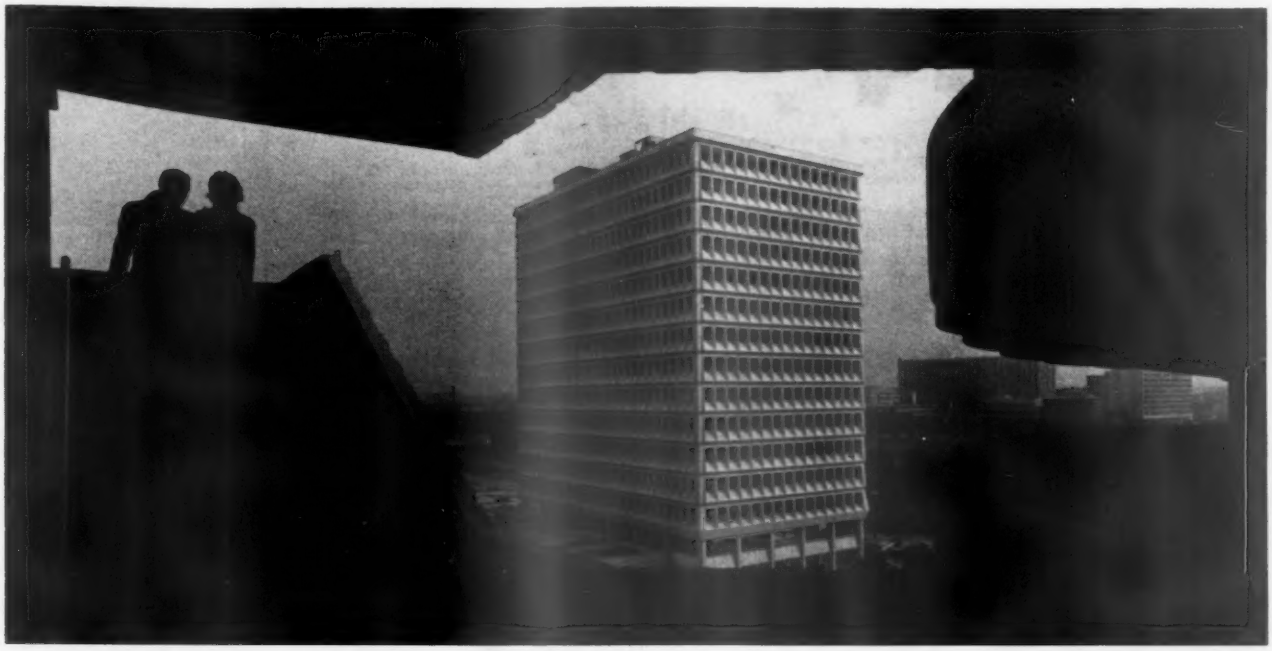
A good many British firms – big and small – have learned these and other lessons and made a success of exporting to France. *Trade and Industry* has been talking to a small cross-section of these firms – to their representatives in the UK and in some cases, to their representatives on the other side of the Channel – and has compiled the following case studies of their experience.

Vessa: making modifications

For Vessa of Alton, who make wheelchairs, selling in France began when they took part in the Readapt Exhibition in Paris last November. It was here that they entered into a marketing arrangement with a small French company whose management knew the product field.

'At the moment,' says Brian Holden, general sales manager in Alton, 'we are trading on a letter of intent and have agreed on certain aims.' The letter of intent covers a certain volume of sales and certain payments, over a 12-month period, with a six-monthly review.

Although the small company in France has only been given customer-status, Brian Holden explained there is 'a gentleman's agreement that we won't sell to anyone else in France.' And results so far are 'quite good, but not quite as good as we had hoped'.



La Part-Dieu, Lyon's new commercial centre. (photo : Segeste)

He explained, 'You always end up with modifications if you want to sell in France' and three or four months were lost because the firm in France asked for alterations to the Vessa product.

It was pointed out that the disabled person in France is less frequently accompanied than in the UK where the Vessa wheelchair has handles at a convenient height for pushing. To make it easier for the disabled person to reach over the back, the handles were lowered for the French customer. At the same time the 5-in caster wheel in front had to be changed and replaced by a large pneumatic caster, on the grounds that this was more suitable for the French cobblestones. And the arm rests, which must be removed for the sideways transfer of the patient, have been fitted with catches at the request of the French to prevent their accidental removal when the chair is lifted by the arms.

The differing requirements of the French and British markets also apparently extend to the speed at which the wheelchair travels and Vessa are now developing a 'speed version' of their powered wheelchair.

Although the necessary research for these changes has taken some months, Brian Holden admits 'it has been good for our company to have to meet the discipline of these modifications. Now we can sell them elsewhere'.

Lucas: the importance of a French identity

Lucas have been fully operational in France since 1957, when Peter Simpson-Jones, the current Président Directeur Général of Lucas France, set up a direct selling liaison office in Paris 'to seek out the opportunities in the market'. Today the company is a major supplier to the French transport industry of electrical components, fuel injection equipment, braking and suspension systems and aerospace equipment. And, as Mr. Simpson-Jones explained, no less than 70 per cent of the company's European business is now in France.

After opening a Paris office the company's first move was to establish a factory at Blois to make fuel injection equipment. The next phase was the establishment – with a 40 per cent share – of a manufacturing partnership with the French vehicle electrical equipment company, Ducellier. 'And the third leg of our stool,' said Mr. Simpson-Jones, 'was the opening of our Girling factory in Eastern France.'

More recently the company took the plunge into the aerospace sector in association with Thomson Brandt, forming Thomson Lucas Aerospace two years ago, and have recently formed a new association, L'Electronique Thomson-Lucas, which is studying possible openings in the fast-growing electronic car components market.

Stressing the importance of giving a French identity to a French operation, Mr. Simpson-Jones explained that, apart from himself and two or three British sales engineers attached to the company's Paris office, all other Lucas personnel in France were French.

He also pointed out that a successful operation depended very much on good communications with the parent company in the UK. Lucas make sure that all their overseas outlets are kept in touch with company policy via their regular – every two months – board meetings which cover all aspects of the business. Not only does this enable Lucas in the UK to keep a firm hold of the reins, but, as Mr. Simpson-Jones claimed, 'We have got the UK drilled as far as *our* needs are concerned and deliveries from Britain are not a problem for us'.

But apart from the careful planning and organisation which has gone into the Lucas France operation, Mr. Simpson-Jones also attributes a good deal of the company's success to the conditions of the market. Lucas has been successful he said, because of 'the extraordinarily fragmentary nature of the French accessory industry. There are two or three big organisations, but a good many firms are working in small corrugated sheds'.

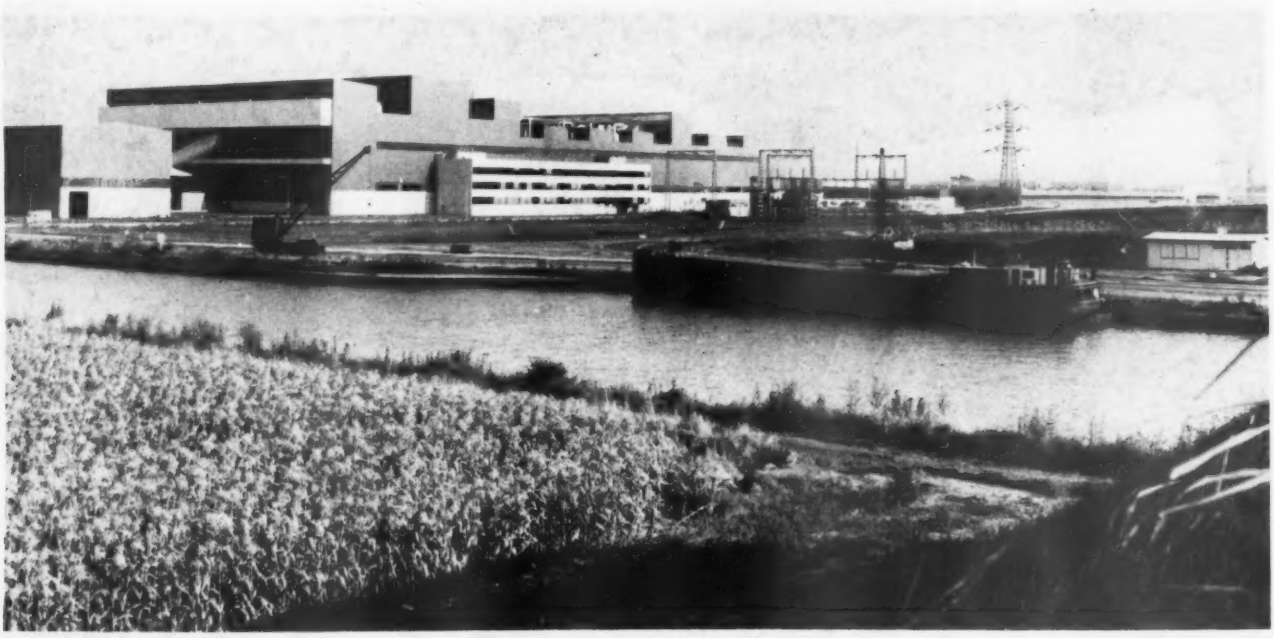
Laura Ashley: alway new stock to show

Laura Ashley opened their first shop in France three years ago on the Paris 'Left Bank' in the rue de St. Peres. Now they have just launched their fourth shop in the capital – in the avenue Raymond Poincare – are running a thriving store in Lyon and will soon be opening another shop in Aix-en-Provence.

According to Moira Braybrook at their head office in London, French customers are keen on the small Victorian prints, the simple designs and the cut of Laura Ashley garments, which achieve a close fit by careful tucking.

Down in the Lyon store, which sells fabrics for dressmaking, wall decorations and matching furnishing fabrics, as well as garments, manageress Marielle Pugnetti also attributes their success to the fact that they have always got new stock to show. New materials are printed and dyed every week at Laura Ashley's factory in Wales with the result that the shades and colours of their fabrics are constantly changing.

And when new designs are introduced, a limited number – about 20 dresses – are tried out simultaneously in all the stores – London, Paris *and* Lyon. Moira Braybrook explained that in quite a short time a representive sample of customers passes through the shops so that within about three days it is possible



Industrial development at Douvrin in the Nord. (photo : Societe d'Equipment du Pas-de-Calais)

to tell whether or not a particular line will sell. The verdict is then transmitted from shop to shop by telex.

Surprisingly enough, whether the shop is in London, Paris or Lyon, there does not seem to be much variation in customer taste. The only indication of national preference, says Moira Braybrook, comes in the summer, when brighter colours are more popular in Paris – 'perhaps because there is more sun or because more of the customers are olive-skinned'.

Laura Ashley have no wholesale outlets in France or the UK, selling their products only in their own retail shops. The self-sufficiency of their operation extends to the transportation of their goods across France. Stocks are driven to Paris in their own vans, stored in their own warehouse, and travel on from there to Lyon.

Marks and Spencer: a British flavour

Marks and Spencer opened on the Boulevard Haussmann in Paris in February last year, alongside such well known French stores as Au Printemps and Galleries Lafayette – since then they have opened branches in Brussels and in Lyon.

Approximately three years' planning went into the European operation. A household name in the UK the name was only recognised at the start by about 2 per cent in Paris and less than 1 per cent in Lyon.

All the staff are French, but assistant managers and staff manageresses spent 18 months training in Britain and all senior staff spent time gaining experience in British stores.

They describe their operation, one year later, as very encouraging. 'In Paris,' says Maurice Setton, resident European executive, 'we are just starting to double our turnover.'

At first they set out to have a special part of the range made in France, for what was thought of as French taste. But Harry Shepherd of Marks and Spencer's London head office admits that to start with, they may have had one or two misguided impressions. One of these was that the colour yellow might be more popular in men's knitwear. Left with some unsold stock he concludes there may be such a preference, but it was a shade over-emphasised. What did become clear was that the best sellers in Britain were the favourites in Paris. To ensure a British atmosphere, when the Paris store was to be revitalised, they sent out the deputy manager from Marble Arch.

The same clothes, however, may be worn with a discernible difference. Maurice Setton explained, 'We go for simplicity and leave the customer to add the accessories. They will spend more on a scarf, for example, than on a blouse and skirt. A good-looking garment is very important.'

The French have always believed that so called bargains are expensive in the end – 'le bon marche coûte trôp chèr' – and were not a little suspicious at the price of Marks' dresses, for example. 'They were surprised that a dress costing Fr 69 did not fall to pieces in the wash,' said Mr. Setton.

The Lyon store, sited in the futuristic Part-Dieu development on the outskirts of the city is still slow to develop – although smaller, Paris is doing eight times as much business. But 'Lyon is only a matter of time,' says Maurice Setton. And a new metro due to be completed in about 18 months time is sure to help, but, with the exception of Paris, it can take about two years for a new French shopping centre to become established.

Over 90 per cent of Marks and Spencer products are made and supplied from the UK. The range now includes clothing, textiles and toiletries, and foods were introduced some months ago. In this latter section tea is the outstanding seller, but sausages, Dundee cake, eccles cakes, liquorice allsorts and jellies are popular and all valued, no doubt, for their distinctly British flavour.

And Marks and Spencer are proud of this British connection. 'The principles which governed our activity in the UK,' says Maurice Setton, 'quality and value of merchandise – were introduced unaltered in France. There were no special gimmicks.'

Portakabin: a good flexible product

With a product which they describe as 'instant portable accommodation' Portakabin set up a subsidiary in Lille, in northern France, about 18 months ago.

They had not gone through a preliminary stage of using agents, although they had sold to France for some time on demand, after advertising in certain journals with a European distribution.

Lille was not the beginning of Portakabin's European experience, however. The company had earlier set up subsidiaries in Holland and in Germany, designed to service sales elsewhere on the Continent.

Christopher Haines, marketing controller of Portakabin in York explained that one of the advantages of their product as far as overseas sales are concerned is that 'the one thing we don't have to build is offices. We can use our own product'. And the French-managed organisation at Lille does just that.

The subsidiary distributes, but does not manufacture. The site at Lille was chosen in order to concentrate on the northern region and from there to expand, although, even now, some orders have come from as far as Marseilles.

Christopher Haines affirms that, after the initial year and a half of trading, 'the operation is proving very successful'.

Portakabin manufacture a variety of different units which can be adapted to an even wider range of different uses. And according to

Britons are the only foreigners to have made their presence felt on the French retailing scene. Burton of London is one of several British chain stores in France.

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EXPORT SUCCESSES
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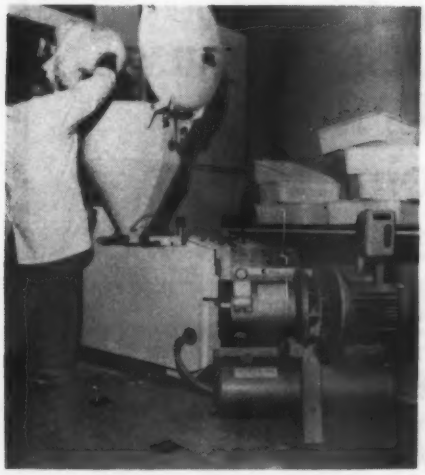
Christian Madrolle, general manager of the operation at Lille, the very fact that they have a 'good flexible product' is one of the secrets of their success.

British Leyland: operations under one roof

Before British Leyland was set up in 1968, the separate companies from which it was formed all had their own distribution network in France. This meant a series of dealers – each selling one of the marques now under the Leyland umbrella – MG, Morris, Rover, Jaguar, Triumph or Austin. And there were mostly multi-franchise dealers who were also acting on behalf of other firms. The establishment of British Leyland began the move towards a system which foresaw more exclusive outlets for the whole range (or a substantial section of the range) of the corporation's cars, at least in the bigger metropolitan areas.
But asking dealers to accept an extended range of cars is a long process, and even now, not all the dealers carry only British Leyland cars.
In a bid to centralise operations, a sales company was set up in Argenteuil, outside Paris, in 1971 so that the parts system, the after-sales services and the financing could all be handled under one roof.
According to Peter Newman at British Leyland's head office in London, one advantage of this development is a greater control over pricing, although he admits that setting up their own selling organisation did not improve sales straight away. When agreements were terminated, some distributors inevitably lost interest and 'sales went down, but now they are climbing again'.
In 1975, British Leyland cars accounted for about 1.9 per cent of the French car market. But no other major seller of cars in France relies so heavily on one model. Well over half of these (59.9 per cent) were Minis and about one-fifth (20.3 per cent) were Allegros. At Fr 13,390, the 850cc Mini is cheaper than any other car on the French market. And Mini accessories, such as special wheels and tinted glass have found a large market, especially in Paris.
The main constraint on sales has been the 'supply situation,' said Peter Newman. 'It is generally agreed that if the UK can produce the goods, the French will buy. Our production rates are now rising quite rapidly and we expect the supply to be much better in the future.'
And Bernard Lamy, managing director of British Leyland France, insists 'If you sell a car, you must give an excellent service.' British Leyland's service in France is backed by their nationwide network of 250 dealers and an extensive parts depot at Argenteuil. Some 25 tonnes of parts are despatched from Argenteuil every working day.
Although sales of commercial vehicles in France are not as yet particularly high, a British Leyland dealer network is being formed in Europe. As Peter Newman pointed out, 'You can't consider France in isolation. You must think of Europe as a complete territory. And this applies particularly to commercial vehicles likely to travel from country to country.' But in future 'France will be one of the markets on which we will be concentrating.'

A growing number of small bakeries throughout France are relying upon British-made Hydrovane compressors to power bread and roll making machinery. The hot, flour laden atmosphere is not the ideal environment, but these compact and quiet running rotary vane compressors are proving to be up to the task of helping produce small batches of fresh bread three times a day, as demanded by French housewives.



Shaw Carpets: catering for the difference in taste

For five or six years, Shaw Carpets tried various types of agent in France, but according to Mike Riding, sales manager at Darton, Barnsley, 'Agency experience didn't give us the sort of turnover of which we thought the product was capable.'
Shaw were quite prepared to cater for differences in tastes; compared to the British, the French apparently prefer more subdued designs and quieter colours.
And so in early 1974, they set up a subsidiary in Paris. The advantages for Shaw were numerous: stock could be held locally; invoices could be sent out from the Paris office; payments tended to be made more promptly and could be paid into a French bank account; they were able to employ their own French salesmen and shops could be given a 'cut length' service – before the subsidiary was formed they had only been supplied with whole rolls of carpet.
With the exception of the managing director, the subsidiary employs an entirely French staff, which includes 10 sales representatives who between them, cover the whole of France.
Now, two years after setting up the subsidiary, Mike Riding confirms 'turnover has improved quite dramatically.'

JCB: a subsidiary has paid dividends

J. C. Bamford Excavators set up a French subsidiary in 1972 at Gonnesse on the outskirts of Paris after 15 years with agents. They have now moved to their own building a few miles away at Sarcelles, which is specially designed for the storage of JCB parts and distribution.
Their basic product in France is a range of earthmoving equipment, notably excavator loaders, and, more recently, they have introduced crawler excavators, crawler loaders and articulated loaders. In 1971 JCB had 10 per cent of the market for excavator loaders, a share which has now risen to around 30 per cent, so the company has every reason to assume that setting up a subsidiary has paid dividends.
Pierre Mouriès, director of JCB France, sets great store by the change. 'A French company run by French people,' he said, 'ensures good continuity of service and availability of parts.'
Chris Twemlow at JCB headquarters in Rocester, Staffordshire, also acknowledged the success which a subsidiary operation had brought JCB in France. He pointed out that Rocester is too far away for the French customer thinking of making the heavy investment required to purchase their kind of product. And, on the communications side, 'a subsidiary is bound to have better contact with the parent company than an agent, for example'.
Anthony Bamford, the chairman of JCB, took a personal interest in the establishment of the company's French operation and several senior members of the JCB groups were involved in the recruitment of French management for the new subsidiary.
Mr. Twemlow also explained the importance of appreciating the differing attitudes of individual markets. 'A crawler excavator might be used in Britain for the same type of work which would be done by a wheeled excavator in France. In France some 55 per cent of this type of excavator are on wheels, whereas in the UK, around 87 per cent are tracked machines.'

Trade and Industry

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Statistics

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
			Total	of which: Manufacturing industry	of which: Distributive and service industries inc. shipping	Total	of which: Manufacturing industry	of which: Wholesalers	of which: Retailers	Current balance	Visible balance	Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index	1970	1970	1970	1970	1970							
£m in base year		31,472	9,380	2,130	2,090							
Series in						£ million				£ million		
1970	100	100	100	100	100	425	325	68	−30	735	−25	760
1971	102	103	102	93	104	70	−148	52	−10	1,058	280	778
1972	104	109	104	82	117	−18	−175	48	−11	131	−702	833
1973	110	114	107	88	125	1064	396	102	334	−842	−2,332	1,490
1974	110	113	105	98	113	597	666	81	−68	−3,611	−5,264	1,653
1975	108	113	104	85	98	−652	−386	−111	6	−1,700	−3,200	1,500
1973 3rd qtr.	110	114	107	92	120	181	46	29	47	−256	−625	369
4th qtr	109	114	107	89	132	205	96	32	51	−373	−950	577
1974 1st qtr	106	112	108	97	112	−176	−31	18	−59	−849	−1,297	448
2nd qtr.	110	112	100	96	110	295	191	43	27	−959	−1,366	407
3rd qtr.	112	113	103	97	119	373	368	3	−14	−852	−1,253	401
4th qtr.	111	114	107	101	113	105	139	17	−22	−951	−1,348	397
1975 1st qtr.	110	115	106	93	101	−176	−4	−31	−57	−466	−850	384
2nd qtr.	107	112	102	86	100	−254	−112	−54	−52	−360	−681	321
3rd qtr.	107	111	107	82	101	−156	−204	−29	60	−571	−986	415
4th qtr.	108	112	101	80	92	−66	−66	4	55	−303	−683	380
1976 1st qtr.		113 pe		81 p	89 p		−5 p	16 p	−17 p	−60	−470	410
% change last 2 qtrs. on prev. 2 qtrs.	−0.8	+0.7	−0.2	−3.8	−10.0							
on a year earlier	−3.6	−1.9	−1.2	−17.0	−16.1							

	Industrial production		Personal expenditure		Prices and costs (NOT seasonally adjusted)					Labour (UK)			Visible Trade	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices	% increase on a year earlier	Wholesale prices: all manufacturing industry: basic materials and fuel used	Wholesale prices: all manufacturing industry: manufactured products: home sales	Basic hourly wage rates of manual workers (all industries and services)	Unemployed excluding school leavers and adult students: mid-month count	Unemployed excluding school leavers and adult students: % of total employees	Unfilled vacancies for adults: mid-month count	Export	Import
	at 1970 prices		at 1971 prices	monthly averages									On a balance of payments basis	
													at 1970 prices	
Base of index	1970	1970	1971		Jan. 1974		1970	1970	July 1972				1970	1970
£m in base year			15,895											
Series in				thousands						thousands		thousands		
1971	100.4	99.6	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	775.8	3.4	130.9	106.7	104.2
1972	102.7	102.4	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	855.0	3.7	147.3	106.6	116.3
1973	110.2	110.8	110.7	137.1	179.4†	9.2	144.5	123.2	115.6	611.0	2.6	307.0	121.8	133.9
1974	106.3	108.1	109.9	102.8	108.5	16.0	215.3	152.0	138.7	599.5ø	2.6ø	302.2ø	130.1	135.2
1975	101.0	101.4	107.9	97.2	134.8	24.2	235.4	188.7	179.8	929.0	4.0	148.2ø	124.9	125.6
1974 2nd qtr.	107.8	109.6	107.8	105	107.5	15.8	213.7	148.9	132.3	577.4	2.5	318.4	134.0	137.5
3rd qtr.	108.1	110.0	111.2	107	110.2	17.0	212.9	156.1	144.0	613.7	2.6	308.7	133.4	136.4
4th qtr.	105.0	105.9	111.3	97	115.1	18.2	222.1	164.9	153.5	..	..	..	126.5	133.0
1975 1st qtr.	104.6	106.1	111.3	108	122.0	20.3	220.9	176.0	163.6	737.9	3.2	..	128.9	125.4
2nd qtr.	99.8	100.0	108.9	94	133.6	24.3	225.6	186.3	176.3	847.4	3.6	164.4	122.6	122.2
3rd qtr.	99.3	99.5	105.5	103	139.4	26.6	239.3	193.4	185.5	1,000.0	4.3	133.6	120.0	127.4
4th qtr.	100.5	100.1	105.8	85	144.2	25.3	256.0	199.1	193.8	1,132.1	4.9	113.6	128.3	127.2
1976 1st qtr.	101.2	101.4	107.3	106	149.4	22.5	266.1	206.9	205.5	1,223.2	5.2	115.5	132.1	123.8
2nd qtr.										1,246.7p	5.4	119.6 p		
1975 May	99.1	99.1	103.7	95	134.5	25.0	226.2	187.3	176.4	850.3	3.6	163.3	133.0	119.9
June	99.1	99.4	104.1	91	137.1	26 1	227.7	189.0	182.6	893.5	3.8	149.0	120.2	122.7
July	99.8	100.2	105.4	91	138.5	26.3	233.2	191.7	184.8	968.2	4.1	133.9	123.0	134.3
Aug.	98.1	98.3	104.8	98	139.3	26.9	241.4	193.5	185.6	997.4	4.3	135.9	115.2	124.9
Sept.	99.8	100.0	106.1	120	140.5	26.6	243.2	194.9	186.0	1,034.4	4.4	131.1	121.9	123.1
Oct.	100.9	100.7	104.8	85	142.5	25.9	252.3	197.0	187.5	1,088.7	4.7	118.9	130.5	128.9
Nov.	100.9	100.7	105.2	81	144.2	25.2	256.7	198.9	195.6	1,133.0	4.9	111.8	123.4	128.0
Dec.	99.6	98.8	107.0	87	146.0	24.9	259.0	201.5	198.2	1,174.6	5.0	110.1	130.9	124.7
1976 Jan.	101.0	101.9	109.8	115	147.9	23.4	261.0	204.8	202.1	1,210.5	5.2	111.1	131.9	125.8
Feb.	101.6	101.3	107.1	101	149.8	22.9	263.5	207.3	206.4	1,232.4	5.3	113.5	128.4	125.4
Mar.	101.1	100.9	105.5	101	150.6	21.2	273.8	208.6	207.9	1,226.6	5.3	122.0	136.1	120.3
Apr.	102.1	102.3	108.5	118	153.5	18.9	285.1 p	211.4 p	209.3	1,233.7	5.3	123.9	136.5	131.1
May			105½ p	111 p	155.2	15.4	290.7 p	214.6 p	210.6	1,250.0	5.4	120.6	138.4 p	137.1 p
June										1,256.5p	5.4	114.3 p		
% change latest 3 months														
on prev. 3 months	+1.1	+1.0	−1.4	+8.9	+3.5		+8.4	+3.4	+3.5	+1.9		+3.5	+5	+3½
on a year earlier	−1.5	−2.4	−4.1	+15.0	+18.4		+26.6	+15.6	+21.8	+47.1		−27.2	+9	+7½

p Provisional pe Preliminary estimate † Base of index Jan. 1962 = 100 .. not available ø Average of 11 months

Index of retail prices for May

The index of retail prices for all items for 18 May 1976 was 155.2 (15 January 1974 — 100). This represents an increase of 1.1 per cent on April 1976 (153.5) and of 15.4 per cent on May 1975 (134.5).

The rise in the index in May was due to higher average prices for alcoholic drink, tobacco, cigarettes, petrol and some foods, principally meat and butter; to increases in motoring costs and bus fares; and to increases in average charges for electricity, canteen and restaurant meals and some services. These increases were partially offset by falls in the average prices of some seasonal foods.

The movements for the main groups of the index are shown in Table 2.

TABLE 1

	All items			All items except seasonal foods		
	Index 15 Jan 1974 = 100	Percentage change over 1 month	Percentage change over 12 months	Index 15 Jan 1974 = 100	Percentage change over 1 month	Percentage change over 6 months
1975						
December	146.0	+1.2	+24.9	146.1	+1.1	+6.6
1976						
January	147.9	+1.3	+23.4	147.6	+1.0	+6.6
February	149.8	+1.3	+22.9	149.0	+0.9	+6.7
March	150.6	+0.5	+21.2	149.5	+0.3	+6.1
April	153.5	+1.9	+18.9	152.2	+1.8	+6.6
May	155.2	+1.1	+15.4	154.2	+1.3	+6.7

Symbols used in all statistical tables

.. not available	r revised
— nil or less than half	* five week period
the final digit shown	# fifty-three week
p provisional	period

TABLE 2

	Indices (15 January 1974 = 100)		Percentage change over the month
	13 April 1976	18 May 1976	
All items	153.5	155.2	+1.1
All items excluding food	152.7	154.7	+1.3
Food	156.7	157.1	+0.3
Seasonal food	189.9	184.8	−2.7
Other food	150.4	151.9	+1.0
Alcoholic drink	154.3	158.7	+2.9
Tobacco	162.8	170.8	+4.9
Housing	143.5	142.6	−0.6
Fuel and light	174.6	180.0	+3.1
Durable household goods	140.7	141.1	+0.3
Clothing and footwear	136.6	137.3	+0.5
Transport and vehicles	160.9	164.0	+1.9
Miscellaneous goods	158.7	159.2	+0.3
Services	156.1	158.6	+1.6
Meals out	153 1	154.6	+1.0

Index of industrial production for April

The provisional estimate for the total all-industries' index in April 1976 is 102.1 and that for manufacturing alone is 102.3 (1970 = 100).

Latest estimates continue to suggest that the level of industrial output has been rising in recent months.

Before any adjustment to allow for the use of delivery indicators it is estimated that the average levels of both the all-industries' index and the index for manufacturing industry in the latest three months were about 1 per cent above the averages for the previous three months. The analysis by broad market sectors shows that, over the same period, the total increase was almost entirely concentrated on the output of the intermediate goods industries which increased by nearly 3 per cent while the output of the consumer goods and investment goods industries were unchanged.

Many of the series used in compiling the index of production, in particular for manufacturing industry, measure deliveries rather than production. Deliveries and production in a month may differ because of movements in stocks of finished goods and work in progress. The use of such series resulted in the all-industries' index overstating the level of output in the third and fourth quarters of 1975 by about 1 per cent and nearly ½ per cent, respectively, and understating the level of output by nearly ½ per cent in the first quarter of 1976. This suggests that since the middle of 1975 output has risen by more than the figures in the table indicate.

On a longer-term comparison, the all-industries' index in the latest three months was about 1½ per cent below its level in the same period a year ago; the corresponding fall for manufacturing industry was about 2½ per cent.

The index numbers for earlier periods have been revised because of the inclusion of later quarterly information. The main effect of these changes is to raise the level of the all-industries' index for the fourth quarter of 1975 by about ½ per cent.

The index numbers in this article are all seasonally adjusted. The seasonal adjustment process is designed to remove annually recurring month-to-month variations due, for example, to the incidence of holidays.

The adjustments, however, can in general only be derived from analysis of past experience, and may not therefore be completely appropriate when holiday patterns change sharply. The introduction of a public holiday on New Year's Day seems to have led to more shutdowns of industrial plant in the last week of December and early in January. The seasonal adjustment process may not fully reflect this changing pattern of holidays.

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Index of industrial production

Seasonally adjusted — 1970 = 100

	Total all industries	All industries other than construction	Mining and quarrying	Manufacturing industries												
				Total	Food, drink and tobacco					Engineering and allied industries						
					Total	Food	Drink and tobacco	Coal and petroleum products	Chemicals and allied industries	Total	Mechanical engineering	Instrument engineering	Electrical engineering	Shipbuilding and marine engineering	Total vehicles	Metals goods n.e.s.
Weights	1,000	850	37	745	84	52	32	7	58	319	100	15	67	16	73	48
1971	100.4	100.0	100.0	99.6	100.6	99.9	101.7	103.3	102.1	99.2	100.2	100.8	101.7	96.6	99.4	93.6
1972	102.7	102.3	84.1	102.4	104.9	104.0	106.4	102.6	108.1	100.0	95.0	93.0	110.2	91.8	103.7	95.7
1973	110.2	110.7	92.6	110.8	109.3	106.3	114.2	110.0	121.2	107.8	103.4	101.7	125.2	95.1	105.1	103.1
1974	106.3	107.8	79.1	108.1	109.9	104.5	118.8	106.0	127.7	106.4	103.4	104.9	120.6	99.4	101.3	103.5
1975	101.1	102.4	86.3	101.4	108.5	100.9	121.0	92.0	115.8	101.6	102.1	100.8	113.3	103.4	94.7	94.5
1974 1st qtr.	104.4	104.8	54.1	106.8	113.2	108.1	121.6	102.1	126.9	103.2	100.8	100.7	119.0	97.3	95.1	101.3
2nd qtr.	107.8	109.3	86.0	109.6	109.3	105.5	115.6	112.0	128.8	107.2	104.0	106.5	120.0	98.0	103.1	105.8
3rd qtr.	108.1	109.9	86.4	110.0	109.1	103.8	117.8	104.6	131.4	108.8	104.5	106.0	124.6	100.3	105.0	105.6
4th qtr.	105.0	106.9	89.8	105.9	108.1	100.7	120.2	105.5	123.9	106.3	104.3	106.5	118.9	102.0	101.9	101.1
1975 1st qtr.	104.6	106.5	87.5	106.1	108.8	101.7	120.4	94.4	119.0	106.8	105.0	104.8	119.8	103.1	100.7	103.5
2nd qtr.	99.8	101.0	85.1	100.0	106.2	99.0	118.0	92.3	112.2	101.0	104.2	105.5	112.2	103.2	90.2	93.0
3rd qtr.	99.3	100.2	82.9	99.5	108.4	98.7	124.4	92.5	112.2	100.3	100.0	99.2	113.5	102.9	94.7	90.7
4th qtr.	100.5	101.7	89.6	100.1	110.7	104.2	121.4	88.8	119.8	98.4	99.2	93.9	107.5	104.7	93.2	91.0
1976 1st qtr.	101.2	102.6	86.9	101.4	108.3	105.1	113.6	93.1	121.6	98.5	99.2	96.2	106.5	104.5	94.1	91.4
1975 Apr.	101.2	102.7	88	101.4	106	98	120	92	114	103	105	107	114	103	96	95
May	99.1	100.2	85	99.1	105	99	115	96	111	99	104	105	112	103	84	92
Jun.	99.1	100.3	83	99.4	107	99	119	89	112	100	104	104	111	104	90	92
Jul.	99.8	100.9	82	100.2	108	98	124	88	111	102	101	101	114	103	98	93
Aug.	98.1	98.9	83	98.3	107	98	121	97	108	99	100	99	114	103	92	89
Sept.	99.8	100.9	84	100.0	111	100	128	93	118	100	99	97	113	102	94	90
Oct.	100.9	102.2	89	100.7	110	103	122	94	119	99	99	94	109	106	92	93
Nov.	100.9	102.2	90	100.7	110	104	121	86	118	99	99	94	108	104	95	92
Dec.	99.6	100.7	89	98.8	112	106	121	87	122	97	99	94	106	104	92	88
1976 Jan.	101.0	102.3	87	101.9	107	104	112	91	120	99	99	96	107	105	94	94
Feb.	101.6	103.1	87	101.3	107	104	112	92	121	98	99	96	107	105	94	90
Mar.	101.1	102.4	86	100.9	111	107	117	96	124	98	100	97	106	103	94	90
Apr.	102.1	103.6	88	102.3	112	106	120	103	123	99	99	97	106	104	97	92
% change latest 3 months on previous 3 months	+1.1	+1.3	−2.3	+1.0	+0.2	+1.3	−1.5	+10.5	+1.9	0.0	−0.1	+2.4	−0.8	−0.4	+1.0	−0.7
% change latest 3 months on a year earlier	−1.5	−1.8	−1.4	−2.4	+2.7	+5.7	−1.6	+6.2	+6.1	−6.3	−5.6	−8.2	−9.9	+1.4	−2.7	−9.2

	Manufacturing industries (continued)													Construction	Gas, electricity and water
	Metal manufacture			Textiles, leather and clothing				Bricks, pottery, glass, etc.							
	Total	Ferrous	Non-ferrous	Total	Textiles	Leather, leather goods and fur	Clothing and footwear	Total	Bricks, cement, etc.	Pottery and glass	Timber, furniture, etc.	Paper, printing and publishing	Other manufacturing industries		
Weights	57	43	14	76	49	3	24	27	17	10	22	64	31	146	72
1971	91.3	89.8	95.8	102.3	100.7	103.0	105.4	108.1	107.0	109.8	103.0	97.3	99.7	103.0	103.9
1972	91.4	89.4	97.3	104.6	103.0	104.5	107.8	115.2	115.1	115.3	113.5	102.6	104.2	104.8	111.2
1973	100.0	97.3	108.5	110.1	108.6	101.0	114.6	127.1	125.5	129.5	132.6	112.1	116.5	107.3	118.1
1974	91.7	87.7	104.2	103.0	99.1	94.8	112.2	116.6	108.4	129.4	112.5	108.8	114.2	98.3	118.6
1975	78.6	74.2	92.2	99.1	93.8	92.5	110.8	107.9	99.6	120.8	110.2	95.6	103.1	93.3	120.4
1974 1st qtr.	91.0	86.3	105.4	100.1	97.8	96.7	105.3	118.8	109.6	133.1	117.7	108.8	112.8	102.1	110.1
2nd qtr.	91.5	86.5	107.1	107.4	104.8	100.0	113.8	119.4	112.0	130.8	116.3	112.4	118.5	99.0	117.6
3rd qtr.	95.0	91.7	105.3	105.5	101.4	94.9	115.4	115.8	108.0	128.0	110.9	110.0	117.4	98.1	120.9
4th qtr.	89.4	86.3	99.0	99.2	92.6	87.7	114.2	112.6	104.1	125.8	105.1	104.0	108.2	94.0	125.7
1975 1st qtr.	92.1	89.8	99.4	100.7	94.2	89.2	115.8	114.1	105.5	127.4	113.3	100.4	109.6	93.7	119.8
2nd qtr.	73.9	68.5	90.4	98.7	93.8	91.0	109.8	104.9	97.0	117.2	110.0	95.9	99.2	92.5	120.5
3rd qtr.	71.9	66.3	89.3	98.6	92.7	93.4	111.5	104.4	97.1	115.9	108.1	93.3	100.5	93.6	116.5
4th qtr.	76.6	72.3	89.8	98.2	94.5	96.3	106.2	108.1	98.9	122.5	109.3	92.9	102.9	93.3	124.6
1976 1st qtr.	84.7	81.3	94.9	100.0	95.2	98.2	110.3	112.4	101.8	129.0	110.5	92.5	112.2	93.6	122.8
1975 Apr.	80	76	94	97	93	91	106	106	97	120	110	97	97		123
May	71	66	86	99	94	91	111	106	96	121	110	97	99		120
Jun.	70	63	91	100	94	91	113	103	97	111	110	93	102		118
Jul.	73	66	92	100	93	93	113	102	99	107	110	95	100		117
Aug.	74	69	88	99	93	93	111	104	93	120	107	92	94		113
Sept.	69	64	87	98	92	93	110	107	99	120	107	93	108		119
Oct.	80	76	93	99	95	96	108	108	100	122	110	95	100		125
Nov.	80	77	92	99	97	96	104	107	97	122	112	93	106		124
Dec.	69	64	84	96	91	96	106	109	99	124	106	91	102		125
1976 Jan.	89	85	99	105	100	98	116	109	101	122	112	92	110		114
Feb.	83	80	93	100	95	98	109	115	103	134	113	93	115		129
Mar.	82	78	94	96	90	99	107	113	102	131	107	92	111		126
Apr.	86	83	96	97	94	99	104	112	102	126	109	98	111		125
% change latest 3 months on previous 3 months	+5.7	+6.8	+2.7	−2.5	−3.0	+2.0	−2.1	+4.5	+3.2	+6.2	−0.1	+2.7	+5.8		+4.6
% change latest 3 months on a year earlier	−5.0	−6.5	−0.9	−1.6	−0.8	+9.9	−4.5	+1.7	+0.4	+3.4	−2.3	−4.7	+8.1		+3.0

Overseas direct investment in 1974

Introduction

This article summarises the main results of the Department of Industry's detailed inquiry into private direct investment and the earnings on it in 1974. The detailed results, giving figures for each main country and industry, will be published in the Business Monitor series M4, Overseas Transactions 1974, shortly. Copies of this Business Monitor may be obtained by standing order from Her Majesty's Stationery Office, separate or additional copies are obtainable from the Librarian, Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG.

Preliminary estimates of direct investment and earnings in 1975 are also given in this article. These estimates, which are based on quarterly sample inquiries, are likely to be revised in the light of the results of the detailed inquiry of 1975.

Private direct investment and earnings are only two of the subjects covered by the Department's overseas transactions inquiry. Overseas transactions in respect of film and television material in 1974 were dealt with in an article in *Trade and Industry* of 8 August 1975. Overseas royalty transactions are dealt with in this issue and an article will appear shortly on the credit terms of exports.

The inquiry is a voluntary one, and the department would like to express its appreciation for the co-operation of respondent firms.

Summary of the results

Table 1 sets out the main aggregates of private direct investment and earnings for the decade up to 1975. After a small decrease in outward direct investment between 1973 and 1974, a sharp fall of nearly £500 million is estimated to have occurred between 1974 and 1975. The earnings on outward direct investment rose by nearly £100 million to an estimate of £1,609 million in 1975 compared with a £50 million rise between 1973 and 1974. One of the major factors in the recent growth of earnings has been the continuing effective devaluation of sterling. The relatively smaller depreciation of sterling during 1974 together with the devaluation of the Australian dollar were factors behind the more modest rise in earnings between 1973 and 1974.

Following a 17 per cent increase of over £100 million between 1973 and 1974 inward direct investment is estimated to have fallen by over £250 million (a 32 per cent decrease) to below its 1973 level. The earnings on inward direct investment is estimated to have risen slightly to £593 million in 1975 following a fall of nearly £90 million between 1973 and 1974. A major cause of this fall was the decline in profits of the motor industry.

Some of the factors underlying the changes in direct investment since 1972 are shown in Table 2, which analyses direct investment by its main components. All main components of outward direct investment, other than net acquisition of share and loan capital, rose between 1973 and 1974. The fall of about £180 million in the latter component more than offset the small increases in unremitted profits, intercompany indebtedness and a larger increase in branch head office indebtedness. This fall was caused by a decrease in the number of large acquisitions and a relatively small depreciation of sterling in 1974. Estimates for 1975 show a decrease in all main components except unremitted profits. The main decrease seems to come from net trade credit extended.

As in previous years, companies continued in 1974 to borrow funds raised by foreign subsidiaries in the international finance market. Most of the funds were re-directed by the United Kingdom parent companies to affiliates in other parts of the world. Companies themselves also borrowed substantial funds abroad to finance their direct investments; such borrowings, whether in the form of Euro-dollar borrowing from UK banks on direct borrowing abroad, are not covered in the overseas transactions inquiry. A fuller account of the financing of private investment will be given in the next issue of the Balance of Payments Pink Book, to be published later this year.

The rise in inward direct investment between 1973 and 1974 was due to increases in net credit received and net acquisition of share and loan capital. The latter was caused by a large number of large acquisitions, eg the acquisition of St. Martins Property Corporation and A. W. Securities by the Kuwait Investment office and Champion International Corporation respectively.

The number and value of large acquisitions were smaller in 1975, and there was an estimated fall in the acquisition of share and loan capital. This was reflected in a fall in inward investment from its 1974 level, despite a small increase in unremitted profits.

Area and industry analysis for 1974: Outward

Table 3 shows how outward investment and earnings were distributed between the EEC and the Rest of the World. There was a small decrease in earnings from the EEC more than offset by an increase in the earnings from the Rest of the World. Investment in 1974 increased in the Rest of the World by about £120 million but decreased in the EEC by over £150 million. In both areas unremitted profits slightly increased but while other investment increased by over £100 million in the Rest of the World it decreased by over £150 million in the EEC.

Table 4 provides a more detailed geographical analysis of outward investment. Within developed countries investment fell as a whole by nearly £50 million. The large fall in investment in the EEC and Canada was partially offset by a small increase in the United States

TABLE 2 Components of direct investment £ million

	1972	1973	1974	1975 p
(i) OUTWARD INVESTMENT				
Unremitted profits	466	847	861	923
Net acquisition of share and loan capital	197	564	386	143
Change in branch-head office indebtedness				
Net trade credit extended	2	—	−24	−2
Other	67	33	149	103
Total	69	33	125	101
Change in inter-company indebtedness				
Net borrowing from financial subsidiaries	−55	−39	−39	..
Net trade credit extended	56	74	225	1
Other	4	149	37	−44
Total	5	184	223	−43
Total net investment	737	1,628	1,595	1,124
(ii) INWARD INVESTMENT				
Unremitted profits	284	316	225	267
Net acquisition of share and loan capital	142	325	461	156
Change in branch-head office indebtedness				
Net trade credit received	7	−23	−17	−33
Other	25	19	3	91
Total	32	−4	−14	58
Change in inter-company indebtedness				
Net trade credit received	−58	20	105	71
Other	−15	26	20	−13
Total	−73	46	125	58
Total net investment	384	683	797	539

TABLE 1 Private direct investment and earnings £ million

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975 p
Net annual investment											
Outward (†):											
Unremitted profits	167	183	190	277	321	322	329	466	847	861	923
Other investment	142	93	91	133	228	224	346	271	781	734	201
Total	308	276	281	410	549	546	675	737	1,628	1,595	1,124
Inward (‡):											
Unremitted profits	118	93	97	176	132	179	182	284	316	225	267
Other investment	79	102	73	98	187	175	263	101	366	572	272
Total	197	195	170	274	319	354	445	384	682	797	539
Net earnings:											
Outward (†)	400	429	438	568	650	710	717	915	1,462	1,512	1,609
Inward (‡)	235	204	216	329	308	360	390	523	654	567	593

p provisional.
† Excluding oil companies.
‡ Excluding oil companies and insurance.

and an increase of nearly £100 million in South and South West Africa.

Investment in developing countries which has been increasing since 1971 showed a small rise. This was the result of a £25 million increase in non-commonwealth investment offsetting a £16 million decrease in investment in the Commonwealth.

The major part of the increase in earnings from direct investment in 1974 (Table 5) came from developing countries where all main areas and countries contributed higher earnings than in 1973. Most of the main areas and countries in the developed world contributed lower earnings in 1974 than in 1973 except for Canada and South and South West Africa (where an increase of over £50 million occurred).

A broad analysis of investment in certain industry groups is given in Table 6. Investment in most groups remained fairly stable except for a £38 million increase in distribution and nearly a £100 million decrease in other (including insurance).

Area and industry analysis for 1974: Inward

Table 7 gives an area and major country analysis of inward investment and earnings. Investment from the United States represented just under half of total investment, a smaller proportion than in previous years. Large increases in investment came from South Africa, Canada, Switzerland and West Germany. Investment from the EEC as a whole increased by only £6 million.

Earnings of affiliates of United States companies decreased by over

TABLE 3 Outward investment and earnings in the EEC and Rest of the World 1968-1974

£ million

	1968	1969	1970	1971	1972	1973	1974
Earnings:							
EEC(†)	65	83	101	104	149	276	270
Rest of the World(‡)	503	567	609	613	766	1,186	1,242
Total	568	650	710	717	915	1,462	1,512
Investment							
EEC(†)							
Unremitted profits	44	55	47	58	75	144	145
Other investment	29	50	31	205	148	375	222
Total	73	105	78	263	223	519	367
Rest of the World (‡)							
Unremitted profits	233	266	275	271	392	703	716
Other investment	104	178	193	142	122	406	512
Total	337	444	468	413	514	1,109	1,228
Total investment	410	549	546	676	737	1,628	1,595

(†) Excluding Denmark and the Irish Republic in the years 1968-1972.
(‡) Including Denmark and the Irish Republic in the years 1968-1972.

TABLE 4 Net investment flows 1970-1974

£ million

	Average 1970-72	Average 1973-74	1970	1971	1972	1973	1974
Developed countries	556	1,360	418	597	652	1,381	1,339
North America	167	501	185	156	161	513	488
of which							
United States	123	389	134	129	105	377	401
Western Europe	216	508	106	268	275	581	434
of which							
EEC (†)	188	443	78	263	223	519	367
EFTA (‡)	28	65	28	5	52	62	67
Other countries (§)	172	352	127	172	216	287	417
of which							
Australia	95	199	47	117	122	182	216
South and SW Africa	50	134	53	22	75	87	180
Developing countries	97	252	128	79	85	247	256
Commonwealth	48	127	100	21	24	135	119
of which							
India	8	15	11	9	4	11	18
Ghana	1	4	3	−2	2	3	5
Nigeria	21	24	24	18	22	18	29
Malaysia and Singapore	16	26	15	13	20	24	28
Other countries	49	125	28	58	61	112	137
All areas	653	1,612	546	676	737	1,628	1,595
of which net transfers from Financial Subsidiaries	−44	−39	−17	−61	−55	−39	−39

(†) Excluding Denmark and the Irish Republic in the years 1970-72.
(‡) Including Denmark in the years 1970-72.
(§) Including the Irish Republic in the years 1970-72.

TABLE 5 Overseas earnings 1970-1974

£ million

	Average 1970-72	Average 1973-74	1970	1971	1972	1973	1974
Developed countries	549	1,053	483	501	663	1,074	1,032
North America	172	307	144	159	214	301	313
of which							
United States	115	192	99	108	137	193	191
Western Europe	147	320	127	127	186	338	302
of which							
EEC (†)	118	273	101	104	149	276	270
EFTA (‡)	28	47	25	23	37	62	32
Other countries (§)	230	426	212	215	263	435	417
of which							
Australia	106	197	95	94	128	225	169
South and SW Africa	87	190	88	86	88	163	217
Developing countries	232	435	227	216	252	388	481
Commonwealth	155	277	156	143	165	242	312
of which							
India	26	33	28	24	26	28	38
Ghana	6	6	7	3	9	6	6
Nigeria	21	40	16	18	29	36	43
Malaysia and Singapore	37	71	39	39	33	61	80
Other countries	77	158	71	73	87	146	169
All areas	781	1,487	710	717	915	1,462	1,512

(†) Excluding Denmark and the Irish Republic in the years 1970-72.
(‡) Including Denmark in the years 1970-72.
(§) Including the Irish Republic in the years 1970-72.

£100 million between 1973 and 1974 and accounted for only 65 per cent of the total earnings (less than in the past four years). There was little change in earnings attributable to EEC companies but those of Canada almost doubled.

The industrial distribution of inward investment given in Table 8 shows no general pattern, with increases in some sectors and decreases in others. Because of unremitted losses there is a large disinvestment for Shipbuilding and Vehicles but investment in other manufacturing industries almost doubled leading to a small increase (and hence a decreased share of 54 per cent of total investment) for manufacturing as a whole. Investment in other activities has more than trebled between 1973 and 1974.

The industrial distribution of inward earnings in Table 8 is very variable. Shipbuilding and Vehicles have suffered a large decrease in earnings (becoming negative in 1974) while Banking has increased its earnings by about 50 per cent. Manufacturing's share of earnings has decreased from over 70 per cent (during the past four years) to just over 60 per cent of the total.

Scope and coverage of the inquiry

Just over 2,000 approaches were made to companies for details of inward and outward direct investment and the earnings on it in 1974, similar to the number approached in the previous inquiry. More than 950 companies were approached in respect of outward investment and about 1,050 in respect of inward investment. All sectors of industry were approached with the exceptions of oil companies and foreign owned insurance companies.

Just over two-thirds of the companies approached in the inquiry (representing an even higher proportion of total overseas earnings and investments) responded in full to the inquiry, and returns for a substantial proportion of the remainder could be constructed from accounting and other information. The estimates in the tables include allowances for non-respondents and for these companies not currently approached because of the low level of their overseas investment. Although the estimates are shown to the nearest £1 million, they cannot be regarded as accurate to that degree. In general, the estimates for all countries and for broad geographical areas will be proportionately more accurate than those for individual countries.

As many of the figures required for the detailed geographical and industrial analyses provided in this inquiry only become available after a considerable interval, it is not possible to give similar details for 1975 yet, although some estimates of the main aggregates, based on quarterly reports from a sample of companies, are given in Tables 1 and 2.

For the purpose of this inquiry, private direct investment is defined as investment by companies in overseas branches, subsidiaries and associates (collectively described as affiliates). It does not cover portfolio investment, ie other investments in the stocks and shares of companies, or in the bond issue of public authorities.

As well as registered companies, the figures for outward investment and earnings cover certain overseas transactions of a number of public corporations, namely the British Steel Corporation, British Airways and the Gas Council.

Direct investment covers a wide range of transactions, including the establishment of new subsidiaries and branches, the acquisition of a controlling interest in existing overseas concerns, the acquisition of a trade investment (ie the purchase of a non-controlling interest in an existing concern), additions to holdings of share and loan capital of existing subsidiaries and associates, additions to working capital, including increase in trade and other credit extended to affiliates, and the value of goods supplied without payment. It also includes the investing company's share of profits retained by subsidiaries and associates.

The figures of investment shown in this note represent net invest-

TABLE 6 Outward investment in selected industries 1970-1974

£ million

Industry group	Average 1970-72	Average 1973-74	1970	1971	1972	1973	1974
Agriculture	9	15	5	5	17	9	20
Mining	12	94	16	8	13	90	98
Manufacturing	350	839	313	384	354	840	838
Distribution	135	224	96	139	170	205	243
Banking	57	161	40	49	82	158	163
Other, including Insurance	89	279	76	90	101	326	233
Total	653	1,612	546	675	737	1,628	1,595

TABLE 7 Area analysis of inward investment and earnings 1970-1974

£ million

	Net investment					Net earnings				
	1970	1971	1972	1973	1974	1970	1971	1972	1973	1974
United States	223	283	252	361	370	264	286	376	479	366
Other countries	131	162	132	321	186	96	104	147	175	44
of which:										
Australia	10	6	4	8	8	5	5	7	10	11
South Africa	19	37	26	−11	19	4	6	11	11	13
Canada	13	37	−17	29	62	25	17	12	22	43
Denmark	3	2	3	3	2	2	2	3	—	—
Sweden	2	2	5	17	20	3	4	10	11	13
Switzerland	17	19	30	26	55	23	25	30	35	21
Belgium and Luxembourg	6	20	2	24	5	1	11	10	10	12
France	1	1	16	25	23	6	10	14	15	20
Italy	4	−11	7	16	5	—	−4	—	−1	2
Netherlands	25	21	6	16	10	16	14	26	24	16
West Germany	15	5	5	16	32	1	4	3	8	6
All areas	354	445	384	682	797	360	390	523	654	567

TABLE 8 Industrial composition of inward investment and earnings 1970-1974

£ million

Industry group	Net investment					Net earnings				
	1970	1971	1972	1973	1974	1970	1971	1972	1973	1974
Food, drink, tobacco	11	44	39	76	65	37	45	59	65	56
Chemical and allied industries	39	67	53	48	76	43	45	55	75	47
Metal manufacture and non-electrical engineering	123	64	−5	129	171	100	93	102	156	160
Electrical engineering	39	81	50	52	19	49	53	71	83	49
Shipbuilding and vehicles	16	40	32	44	−37	6	−7	33	41	−35
Other manufacturing	41	44	42	71	134	40	51	49	60	70
Total manufacturing	269	340	211	420	428	275	280	369	480	347
Distribution	45	31	56	104	59	30	36	46	53	45
Banking	8	41	86	94	113	37	56	80	89	130
Other activities	32	33	31	65	197	18	18	28	32	45
Total	354	445	384	682	797	360	390	523	654	567

ment, ie investment less disinvestment, the latter again comprising a variety of transactions including losses by overseas affiliates; repayments of trade and other credits; loans by overseas affiliates; to the parent company. The growth of 'reverse' flows of direct investment, ie transfer of funds to the UK from overseas subsidiary companies which have raised loans in international money markets has affected the figures of net outward investment during the past five years, and for some purposes it is desirable to disregard such reverse flows (eg in estimating the flow of resources to the developing world). Where identified reverse flows are thought to affect the interpretation and use of the figures, supplementary details have been given in accompanying tables.

Net investment is a financial concept and should not be confused with the growth of the affiliates' net assets (and still less of its fixed assets), part of which may be financed by shareholders other than the overseas parent or associated company, or from funds raised locally without an additional capital call on the parent or associate

If a company sold a proportion of its shareholding in a foreign subsidiary to local interests, this would be recorded as disinvestment; and if an affiliate raised local finance to repay short term indebtedness to its parent company, the repayment would be recorded as disinvestment, although in neither case would there be any change in the capital employed, but only a redistribution between local and overseas interests.

Direct investment also includes a number of transactions which do not involve a transfer of cash. For example, if a UK company acquires (or is acquired by) a foreign company by means of an exchange of shares, the direct investment resulting from the transactions will be offset by an equivalent portfolio investment. Although there is no flow of funds from the point of view of private investment as a whole, a direct investment asset or liability is acquired, together with an equivalent portfolio liability or asset.

NOTES AND DEFINITIONS: coverage

The annual inquiry for 1974 was conducted on a voluntary basis. Response was not complete, but all statistics include an estimate for non-response. For investment, earnings, dividends, and depreciation provisions, the estimates for non-response were derived by using all available information (eg company accounts and reports, returns at previous inquiries, discussions with firms concerned, etc.) to construct returns for each significant firm concerned, so that estimates for non-response were made in some detail.

The incidence of non-response varies from country to country so that the detailed figures are subject to a greater margin of error than the totals, and may not be accurate to the last digit shown. Estimates for investment are less accurate than those for earnings.

Government departments and the oil companies were excluded, as was the Commonwealth Development Corporation, which is financed by the Government, though its overseas investments include some direct investment in private industry in developing countries.

Revisions

Certain revisions have been made to 1973 figures in the light of up-to-date banking figures. Outward investment has been revised upwards by £4 million and outward earnings by £4 million.

The estimates for 1974 compiled from quarterly sample inquiries and published in *Trade and Industry* of 14 March 1975 have been revised in the light of full annual returns. Outward has been revised upwards by over £140 million and inward by over £80 million, mostly due to acquisitions of share and loan capital which were not identified as direct investment in the quarterly inquiries.

Outward earnings have been revised upwards by £54 million and inward revised downwards by £87 million, representing an increase of about 4 per cent and a decrease of about 13 per cent respectively.

Direct investment and earnings

The annual inquiry is taken mainly to provide statistics for Balance of Payments purposes and the concept of direct investment is that adopted by the International Monetary Fund.* The Department of Industry inquiry is limited to direct investment by companies. It follows that holding shares by individuals resident in the United Kingdom in independent companies registered abroad are regarded as portfolio and not as direct investment, even if, as in the case of some companies which have migrated, United Kingdom residents hold majority of the issued capital.

By 'branch' is meant a 'permanent establishment' as defined for the purpose of United Kingdom tax in Statutory Instruments relating to Income Tax and Double Taxation Relief. Subsidiaries are defined as in section 154 of the Companies Act, 1948, and associates as incorporated companies which were not subsidiaries, but in which the investing company had a holding which is regarded as a 'trade investment'.

In respect of branches, the flow of investment is represented by the change in indebtedness of the branch to its parent company excluding the effect of revaluations. In respect of subsidiary and associated companies, it is the sum of the parent company's share of unremitted profits, the cash value of any change in the parent company's holdings of share and loan capital and the change in the indebtedness of the subsidiary or associated company to the parent company, recorded in inter-company accounts (excluding the effect of revaluations).

Borrowing from the parent company, other than through the issue of share and loan capital is included in the change in the inter-company or branch/head office accounts. Information was not collected about borrowing by overseas branches or subsidiaries from local banks or unrelated concerns, or its repayment. The unremitted profits of subsidiaries and associates are calculated as the sum of profits less dividends remitted, and less losses. Unremitted profits are negative if dividends exceed profits, or if the subsidiary makes a loss.

Earnings

These include interest received and profits, after deducting provisions for overseas taxes as well as the provisions made in the accounts for the depreciation of capital assets.

Classification by industry

Firms were asked at an earlier inquiry to describe the kind of business in which their branches, subsidiaries and associates were engaged, and this information provides the basis for the industrial classification of the data which is based on the 1968 Standard Industrial Classification. The industrial analysis of outward investment relates to the activity of the overseas affiliate, and that of inward investment to the business of the United Kingdom branch, subsidiary or associate.

Valuation

Firms were asked to return values in sterling, as entered in their book of accounts, rounded to the nearest £1,000. Where conversion from an overseas currency was involved, they were asked to use the same rate of exchange as in their own accounts.

Period covered by returns

Companies were asked to make returns in respect of the calendar year 1974 or the nearest accounting year.

In terms of earnings about 70 per cent of the returns on outward investment were for a year ending in December 1974, about 15 per cent were for a year ending before December 1974, notably September 1974, and about 15 per cent were for a year ending after December 1974, notably March 1975.

For inward investment, returns accounting for about three-quarters of earnings were in respect of a year ending in December 1974.

Where quarterly information existed, returns for non-calendar years were sometimes adjusted to exclude large transactions occurring outside, and to include large transactions occurring within the calendar year.

* *Balance of Payments Manual*, third edition, July 1961.

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Overseas royalty transactions in 1974

This article presents figure of overseas royalty transactions in 1974, obtained from the Department of Industry's overseas transactions inquiry for that year. Transactions covered in this article include royalties, licences, patents, trade marks, designs, copy rights, manufacturing rights and the like. More detailed figures from the inquiry will appear in Business Monitor M4, Overseas Transactions 1974, due to be published shortly. Copies of this Monitor may be obtained by standing order from Her Majesty's Stationery Office. Additional or separate copies are obtainable from the Librarian, Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG.

The net gain to the current account of the United Kingdom balance of payments in 1974 from such transactions amounted to nearly £47 million, £5 million more than in 1973.

Receipts from abroad rose by almost 22 per cent between 1973 and 1974, having risen by about 21 per cent between 1972 and 1973 and by about 13 per cent between 1971 and 1972. The rise in expenditure abroad was about 24 per cent between 1973 and 1974, and some 16 per cent between 1972 and 1973 with a rise of about 12 per cent between 1971 and 1972.

Scope and coverage of the figures.

The inquiry into overseas royalty transactions for 1974 was similar in scope to previous inquiries, the results of which have been published in a series of articles in the *Board of Trade Journal* and in *Trade and Industry*, the last of which, in respect of 1973, appeared in *Trade and Industry* on 11 April 1975. The primary object of the inquiries is to measure the effect of royalty transactions on the UK balance of payments, where they are included in the category 'other services' in the invisible account (see *United Kingdom Balance of Payments* 1964-1974, Table 13).

Transactions relating to film and television rights, which are the subject of a separate inquiry, are not covered in this article, but a full account of the effects of transactions relating to cinematograph film and television material on the balance of payments for 1974 and earlier years was given in *Trade and Industry* on 8 August 1975.

A total of nearly 1,200 returns were received in respect of royalty transactions. These returns were made by firms co-operating in the overseas transactions inquiry, though not all firms approached provided information. In addition, a large number of firms and individuals receiving or making small payments in respect of royalties (particularly for printed matter, performing rights, etc.) were not approached.

The estimates for all firms in Table 1 include an allowance for the transactions of non-responding and exempt firms, based on the returns to previous inquiries and assumptions that the experience of small firms outside the inquiry would resemble that of similar firms in the inquiry. It is estimated that firms responding in full to the inquiry accounted for about 70 per cent of total receipts and about 85 per cent of total payments. As it is not possible to allocate the non-response by country or industry, the more detailed tables in the article are based solely on returns received in the inquiry. For these

TABLE 1 Royalties and similar transactions – estimates for all businesses (excluding oil companies) £ million

Transactions with all overseas concerns	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Receipts										
On printed matter, sound recordings or performing rights	15.4	15.7	15.0	21.0	25.5	28.1	29.2	30.9	34.4	46.6
Technological and mineral	49.4	60.3	66.5	88.2	91.4	114.0	117.8	135.3	167.1	198.7
Total	64.8	76.0	81.5	109.2	116.9	142.1	147.0	166.2	201.5	245.3
Expenditure										
On printed matter, sound recordings or performing rights	9.0	9.0	7.2	10.2	11.5	11.7	12.9	15.2	17.1	22.1
Technological and mineral	46.7	51.3	63.2	81.5	93.3	106.4	110.3	122.6	142.7	176.7
Total	55.7	60.3	70.4	91.7	104.8	118.1	123.2	137.8	159.8	198.8
Balance										
On printed matter, sound recordings or performing rights	6.4	6.7	7.8	10.8	14.0	16.4	16.3	15.7	17.3	24.5
Technological and mineral	2.7	9.0	3.3	6.7	−1.9	7.6	7.5	12.7	24.4	22.0
Total	9.1	15.7	11.1	17.5	12.1	24.0	23.8	28.4	41.7	46.5
Transactions with related concerns										
Receipts										
On printed matter, sound recordings or performing rights	5.9	4.5	3.9	4.6	6.0	6.5	6.4	6.5	7.3	12.4
Technological and mineral	15.9	18.8	23.5	28.1	32.8	37.9	37.0	41.7	51.9	64.4
Total	21.8	23.3	27.4	32.7	38.8	44.4	43.4	48.2	59.2	76.8
Expenditure										
On printed matter, sound recordings or performing rights	3.0	3.3	2.2	3.8	4.5	4.5	5.3	5.9	7.9	9.8
Technological and mineral	26.6	30.1	36.7	46.4	55.4	62.9	64.7	72.5	86.0	110.8
Total	29.6	33.4	38.9	50.2	59.9	67.4	70.0	78.4	93.9	120.6
Balance										
On printed matter, sound recordings or performing rights	2.9	1.2	1.7	0.8	1.5	2.0	1.1	0.6	−0.6	2.6
Technological and mineral	−10.7	−11.3	−13.2	−18.3	−22.6	−25.0	−27.7	−30.8	−34.1	−46.4
Total	−7.8	−10.1	−11.5	−17.5	−21.1	−23.0	−26.6	−30.2	−34.7	−43.8
Transactions with unrelated concerns										
Receipts										
On printed matter, sound recordings or performing rights	9.5	11.2	11.1	16.4	19.5	21.6	22.8	24.4	27.1	34.2
Technological and mineral	33.5	41.5	43.0	60.1	58.6	76.1	80.8	93.6	115.2	134.3
Total	43.0	52.7	54.1	76.5	78.1	97.7	103.6	118.0	142.3	168.5
Expenditure										
On printed matter, sound recordings or performing rights	6.0	5.7	5.0	6.4	7.0	7.2	7.6	9.3	9.2	12.4
Technological and mineral	20.1	21.2	26.5	35.1	37.9	43.5	45.6	50.1	56.7	65.8
Total	26.1	26.9	31.5	41.5	44.9	50.7	53.2	59.4	65.9	78.2
Balance										
On printed matter, sound recordings or performing rights	3.5	5.5	6.1	10.0	12.5	14.4	15.2	15.1	17.9	21.8
Technological and mineral	13.4	20.3	16.5	25.0	20.7	32.6	35.2	43.5	58.5	68.5
Total	16.9	25.8	22.6	35.0	33.2	47.0	50.4	58.6	76.4	90.3

TABLE 2 Royalties and similar transactions – receipts from overseas by area and type 1974

Summary of returns received — £ million

Area or country	All royalties, etc. Total receipts	Receipts from related concerns	Receipts from unrelated concerns	Printed etc. royalties	Techno-logical and mineral royalties
Developed countries	141.45	56.67	84.78	28.53	112.92
North America	46.19	17.03	29.16	10.66	35.53
Western Europe	47.39	17.24	30.15	9.49	37.90
EEC	39.82	14.82	25.00	8.30	31.52
EFTA	6.80	2.42	4.38	1.11	5.69
Other	47.88	22.39	25.49	8.39	39.49
Developing countries	28.71	13.81	14.90	1.67	27.04
Commonwealth	10.08	6.67	3.41	0.64	9.44
Other	18.63	7.14	11.49	1.03	17.60
Total of returns received	170.16	70.48	99.68	30.20	139.96

TABLE 3 Royalties and similar transactions – overseas expenditure by area and type 1974

Summary of returns received — £ million

Area or country	All royalties, etc. Total payments	Payments to related concerns	Payments to unrelated concerns	Printed etc. royalties	Techno-logical and mineral royalties
Developed countries	165.41	113.28	52.13	17.42	147.99
North America	124.72	94.78	29.94	11.31	113.41
Western Europe	37.09	18.18	18.91	5.08	32.01
EEC	22.45	11.08	11.37	4.58	17.87
EFTA	14.56	7.10	7.46	0.47	14.09
Other	3.61	0.32	3.29	1.04	2.57
Developing countries	2.04	0.70	1.34	0.68	1.36
Commonwealth	0.94	0.45	0.49	0.31	0.63
Other	1.10	0.25	0.85	0.37	0.73
Total of returns received	167.45	113.98	53.47	18.10	149.35

reasons the estimates given in Table 1 which are shown to the nearest £0.1 million are not necessarily accurate to that degree.

Summary of results for all firms

Table 1 shows the figures of royalty receipts and expenditure of all businesses, other than oil companies, over the decade 1965 to 1974.

With the 22 per cent growth in total royalty receipts between 1973 and 1974 receipts of technological and mineral royalties rose by 19 per cent while receipts in respect of printed matter, sound recordings or performing rights (artistic royalties) rose by some 35 per cent, but the latter group was much smaller accounting for only 19 per cent of total receipts. At £245 million total receipts in 1974 were over three-and-three quarters times as large as in 1965, having grown on average by about 16 per cent a year. Technological and mineral royalties have grown faster on average than artistic royalties over this period, having risen by just over 17 per cent a year compared to the just under 14 per cent a year growth shown by artistic royalties.

The 24 per cent rise in expenditure between 1973 and 1974 comprised a rise of just under 24 per cent in technological and mineral payments, and of just over 29 per cent in artistic payments. Total expenditure rose less quickly than total receipts over the period 1965 to 1974, and at just under £199 million in 1974 were just over three-and-a-half-times as large as in 1965, having grown by an average about 15 per cent a year. As with receipts, technological and mineral royalties have shown the quickest growth in expenditure, having risen by an average of just over 16 per cent a year, compared to an average rise of just under 12 per cent a year in artistic payments.

The resultant balance of receipts over payments of £46.5 million in 1974 showed an 11½ per cent increase over 1973, and is over five times larger than in 1965.

Receipts from related overseas concerns (ie overseas branches, subsidiaries, parents and associates of UK firms) rose faster than those from unrelated concerns overseas, the figures being 30 per cent and 18 per cent respectively. However, over the period 1965 to 1974 receipts from unrelated concerns overseas have shown the stronger growth and, at about £168 million, were nearly four times as high as in 1965; receipts from related concerns at nearly £77 million were nearly three-and-a-half times as high as in 1965. In consequence the relative importance of receipts from unrelated concerns has slowly increased over the period. In 1965 such receipts accounted for just over 66 per cent of the total and by 1974 they had risen to nearly 69 per cent of total receipts.

TABLE 4 Broad area analysis of royalty transactions 1974

Summary of returns received — £ million

	Royalty receipts in 1974 (+)	Royalty payments in 1974 (−)	Net royalty receipts in 1974 (+) less (−)
United Kingdom transactions with:			
The United States			
Total royalties	41.26	124.04	−82.78
Related concerns	13.33	94.35	−81.02
Unrelated concerns	27.93	29.69	−1.76
Artistic royalties	9.63	11.10	−1.47
Technological and mineral royalties	31.63	112.94	−81.31
Western Europe			
Total royalties	53.15	37.45	15.70
Related concerns	19.93	18.21	1.72
Unrelated concerns	33.22	19.25	13.97
Artistic royalties	10.02	5.18	4.84
Technological and mineral royalties	43.13	32.28	10.85
Rest of the World			
Total royalties	75.75	5.96	69.79
Related concerns	37.22	7.42	35.80
Unrelated concerns	38.53	4.53	34.00
Artistic royalties	10.55	1.83	8.72
Technological and mineral royalties	65.20	4.12	61.08

TABLE 5 Industry analysis of royalties and similar transactions 1974

Summary of returns received — £ million

	Receipts Total	Related	Un-related	Expenditure Total	Related	Un-related
All manufacturing industries	145.61	67.12	78.49	157.91	109.85	48.06
Food, drink and tobacco	7.18	5.46	1.72	5.53	3.47	2.06
Chemical and allied industries	45.56	17.93	27.63	29.76	18.64	11.12
Metal manufacture	1.52	0.29	1.23	2.77	1.33	1.44
Mechanical engineering and instrument engineering	16.00	8.68	7.32	28.87	21.93	6.94
Electrical engineering	25.81	17.17	8.64	46.97	41.07	5.90
Motor vehicles	4.18	1.81	2.37	1.57	0.72	0.85
Textiles, leather, clothing and footwear	4.11	2.96	1.15	3.39	2.35	1.04
Paper, printing and publishing	8.25	3.87	4.38	5.96	1.16	4.80
Rubber	5.11	3.24	1.87	7.04	3.22	3.82
Other manufacturing industries	27.89	5.71	22.18	26.05	15.96	10.09
Distribution	0.90	—	0.90	1.29	0.97	0.32
Other activities	23.65	3.36	20.29	8.25	3.16	5.09
Total of returns received	170.16	70.48	99.68	167.45	113.98	53.47

Unlike receipts, payments to related concerns overseas are both more important and have shown a much stronger growth than payments to unrelated concerns overseas. Between 1973 and 1974 payments to related concerns rose by over 28 per cent, and over the period 1965 to 1974 they increased four-fold to nearly £121 million. Payments to unrelated concerns, on the other hand, rose by nearly 19 per cent only between 1973 and 1974 and, at £78 million were only three times as large as in 1965. In consequence the proportion of total payments accounted for by those to related concerns has increased from 53 per cent in 1965 to 61 per cent in 1974.

For transactions with related concerns as a whole there has been a balance of expenditure over receipts which has increased from just under £8 million in 1965 to just under £44 million in 1974, an average annual growth of nearly 19 per cent. On the other hand, there has been a balance of receipts over expenditure in transactions with unrelated concerns. This balance has risen from just under £17 million in 1965 to just over £90 million in 1974 an average annual growth of just over 18 per cent.

Analysis by area and industry

Tables 2 and 3 give a geographical analysis of receipts and payments in 1974 for companies responding in the inquiry. The broad pattern which emerges is similar to that shown in previous inquiries, with receipts showing a wide geographical spread compared with payments, where the United States tends to predominate.

Receipts rose from all areas of the world in 1974. Among the developed countries, which together accounted for about 83 per cent of total receipts, North America accounted for about 27 per cent of total receipts, compared with 29 per cent in 1973, and Western European developed countries a further 28 per cent as in 1973. Among other developed countries Japan accounted for 11 per cent

of total receipts compared with 12 per cent in 1973 and 11 per cent in 1972. In total, receipts from developing countries amounted to some 17 per cent of all receipts, much the same as in 1973. Whereas about 48 per cent of receipts from developing countries came from related concerns, some 40 per cent of receipts from developed countries were related and almost all artistic royalties receipts were from the developed countries of the world.

Royalty payments are made almost exclusively to the developed countries of the world, mainly in North America and Western Europe, payments to other developed countries and all developing countries accounting for only about 3 per cent of total payments in 1974. Payments to the United States accounted for nearly 75 per cent of the total and to developed countries in Western Europe for a further 22 per cent. About three-quarters of payments to the United States are made to related concerns, whereas about one half of those to Western Europe are to related concerns.

Table 4 gives a summary of both receipts and payments from and to three broad areas – the United States, Western Europe and the Rest of the World. The UK has a net balance of payments over receipts with the United States, almost exclusively due to transactions between related concerns. There is a balance of receipts over payments in both the other areas, and the large balance in respect of the Rest of the World being due to a low level of payments, both to related and unrelated concerns.

An industrial analysis of royalty transactions is given in Table 5. The classification is based upon the main activity of the UK enterprise, and may not necessarily reflect the industrial activity to which the transactions relate. Enterprises principally in manufacturing accounted for over 85 per cent of receipts and nearly 95 per cent of payments. Chemical and allied industries accounted for about 27 per cent of receipts and 18 per cent of payments; electrical engineering accounted for some 15 per cent of receipts and 28 per cent of payments, with mechanical and instrument engineering just under 9 per cent of receipts and 17 per cent of payments.

Notes and definitions

Firms were asked to return amounts payable to, or receivable from, overseas concerns (including individuals) in respect of the right to use processes and other information (eg, royalties, licences to use patents, trade marks, designs, copyrights, etc.) or for manufacturing rights and the use of technical 'know-how'. Royalties, etc., on printed matter, sound recordings or performing rights were also included. The mineral royalty transactions recorded relate to overseas mineral rights, other than oil, in respect of which payments were made to or from companies registered in the UK. As in previous inquiries, separate details for this category were not collected for 1974 and they were grouped with technological royalties.

The statistics relate to those payments and receipts which can be identified and consequently fall short of providing a complete picture. Royalties, etc., included in the recorded value of UK imports and exports, are excluded, eg, where charges for royalties, etc., are incorporated in the contract price of capital goods, and cannot be separately distinguished. This omission is probably most important in respect of large contracts made by individual firms or consortia for the erection of complete plants, where the knowledge of how to operate them is an integral part of the contract.

Another substantial omission from these figures consists of earnings from overseas affiliates which are included indistinguishably as part of direct investment income. A study of the effects of knowledge sharing between United Kingdom companies and related overseas concerns, which investigates the extent to which international groups gain from knowledge sharing and how far the benefits to overseas affiliates are reflected in direct investment earnings rather than explicitly as royalty payments, is contained in *Effects of United Kingdom Direct Investment Overseas*. Final Report, by W. B. Reddaway, in collaboration with S. J. Potter and C. T. Taylor (Cambridge University Press, 1968).

Amounts reported are those payable or receivable whether on current or capital account, after deduction, where appropriate, of UK or overseas tax. Amounts payable to agents for charges (less discounts) for services rendered in connection with royalties and similar transactions have been included, as have agency earnings of UK concerns and lump sum settlements, but sales commissions and registration fees on patents held by UK concerns have not been included.

Companies in this inquiry were asked to make returns for their accounting years, if information was not available for calendar years.

The statistics relate to the UK which is defined as Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

The inquiry covered transactions between UK and overseas concerns (and individuals). These concerns could be related, ie parent companies, branches, subsidiaries, or associates of the reporting companies, or not related in any way; transactions with these two categories were reported separately.

Returns were classified to industry according to the main activity of the UK business.

Film Act 1960, Section 6: Combination of quota periods

The Department of Trade, after consulting the Cinematograph Films Council and upon the application of EMI Cinemas Ltd., has issued a direction that for the ABC 2, Deansgate, Manchester the years 1976 and 1977 may be combined as a single quota period, provided that the foreign film 'Jaws' is exhibited for a continuous period of at least eight weeks and one day.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 18 June 1976.
BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
The Fifth Facade	BR/E 38662/20/6/81	28	18 June	Columbia-Warner Distributors Ltd.	Film Australia, New South Wales
Sunday Too Far Away	BR/E 38663/20/6/81	95	18 June	Columbia-Warner Distributors Ltd.	South Australian Film Corporation, South Australia
Kangaroo Island	BR/E 38664/20/6/81	16	18 June	Columbia-Warner Distributors Ltd.	South Australian Film Corporation, South Australia
Movietone News 2454	BR/E 38362/20/6/81	8	18 June	British Movietonews Ltd.	British Movietonews Ltd.
			FOREIGN		
Vigilante Force	F 38659	89	16 June	United Artists Corporation Ltd.	Chateau Productions Inc., California
The Last Hard Men	F 38660	97	16 June	Fox-Rank Distributors Ltd.	Twentieth Century-Fox Film Corporation, California
Leadbelly	F 38661	127	16 June	Cinema International Corporation (UK)	David Paradine Productions Inc., and Brownstone Productions Inc., New York
Pulcinella	F 38665	11	18 June	Curzon Film Distributors Ltd.	Gianini and Luzzati, Italy
Lautrec	F 38666	6	18 June	Curzon Film Distributors Ltd.	Arts Council, London

Amendments to the Register

The title of the film 'Mister Quilp' (BR/E 38326/29/11/80), registered on 25 November 1975, has been amended to 'The Old Curiosity Shop' and the playing time to 96 minutes.

The registration number of the film 'The Swiss Conspiracy', registered on 29 March 1976, has been amended to EC 38515/4/4/81 and the maker's name to read Bavaria Atelier GmbH, Munich and Durham Production Inc., New York.

A review of industrial countries trade and production in 1975

Having suffered a sharp decline in the first half of 1975, industrial production in the industrial countries improved somewhat in the second half. By the middle of the year output was at its lowest level in relation to productive potential since the second World War. Lagging somewhat on initial recovery in the US and Japan, industrial production in the EEC continued to fall into the third quarter. The order of general recovery in the fourth quarter is suggested by a comparison of the fall in industrial production between the first three quarters of 1974 and 1975 and the change between the years as a whole. Production fell by 10 per cent between the third quarter perio ls; and over the year as a whole the fall had been reduced to 7½ per cent. Under the impetus of considerable inflationary stimulus in several countries, the main element in the initial recovery seems to have come from changes in destocking although consumption, particularly of durables, also played an early part in several countries.

These developments in output were reflected in world trade. The value of industrial countries exports of all commodities (expressed in US dollars) increased by 6½ per cent in 1975. This represented a considerable fall in the rate of growth in export value compared to the rates of 37 and 34 per cent per annum in 1973 and 1974. Within this total, the growth in the value of exports to primary producers increased by 20 per cent, less than half the 1974 figure. Similarly the value of industrial countries exports to one another slumped to an increase of only 1 per cent as compared to a year earlier. The value of exports to the oil producing countries held strong and probably increased by 80 per cent between the first three quarters of 1975 and 1974. Exports to these countries, however, tended to level off towards the end of the year. Industrial countries total imports rose by less than 1 per cent by value in the same period. Whereas the rate of growth of imports from primary producers had exceeded that in industrial countries intra-trade in 1973 and 1974, the value of imports from primary producers fell by 2½ per cent and intra-trade rose by 2 per cent in 1975. The volume of world trade (as measured by exports of all goods), increased in the third quarter of 1975, but for the three quarters as a whole fell by 6 per cent as compared to the same period in 1974. A continuous but fairly uneven deceleration in consumer prices has been experienced since the autumn of 1974 bringing the average rate of inflation in industrial countries down to about 8 per cent at an annual rate in the last quarter of 1975. Although the monthly increase in prices had reached its lowest point since 1970 by August 1975, a seasonal swing in food prices outside North America caused some reacceleration in September and October. The improvement in the latter part of the year can be attributed to favourable seasonal factors, and postponed price increases.

Figures so far available suggest that exports of manufactures by the main manufacturing countries increased in dollar value by 7½ per cent in 1975. In volume terms there was a fall of 6½ per cent in the first three quarters of 1975, compared with the same period a year earlier. Provisional information for the fourth quarter suggests that following the decline in volume at the end of 1974 and in the first half of 1975, some growth was achieved in the second half of the year. The United Kingdom's share of exports of manufactures by the main manufacturing countries rose from 8.8 per cent in 1974 to an estimated 9.3 per cent in 1975. Both the United States and France increased share, but there was a sharp drop in the share of manufactures exported by Japan and the Federal German Republic.

USA

Industrial production improved in the second half of 1975 but was still well below the level for the same period in 1974. For the year as a whole industrial production fell by 8½ per cent. Recent evidence

TABLE 1 Industrial countries' trade

Quarters or quarterly averages, seasonally adjusted — US $ thousand million

	Exports (fob) to									Imports (cif) ‡ from								
	World			Industrial countries †			Primary producers †			World			Industrial countries			Primary producers		
		Percentage change			Percentage change			Percentage change			Percentage change			Percentage change			Percentage change	
		over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*
1967	36.51	(5.5)		26.46	(6.1)		9.93	(4.9)		37.83	(5.5)		27.35	(5.9)		10.45	(4.4)	
1968	41.08	(12.5)		30.08	(13.7)		10.88	(9.6)		42.51	(12.4)		31.02	(13.4)		11.46	(9.7)	
1969	47.50	(15.6)		35.18	(16.9)		12.21	(12.2)		49.02	(15.3)		36.28	(17.0)		12.71	(10.9)	
1970	55.01	(15.8)		41.03	(16.6)		13.98	(15.3)		56.41	(15.1)		42.50	(16.3)		13.91	(9.5)	
1971	61.51	(11.8)		45.89	(11.9)		15.62	(11.7)		62.68	(11.1)		47.29	(11.3)		15.39	(10.7)	
1972	72.70	(18.2)		55.02	(19.9)		17.68	(13.2)		74.50	(18.9)		56.43	(19.3)		18.07	(17.4)	
1973	99.72	(37.2)		74.57	(35.5)		25.15	(42.3)		102.71	(37.9)		76.24	(35.1)		20.47	(46.5)	
1974	133.23	(33.6)		95.16	(27.6)		38.07	(51.4)		145.77	(41.9)		97.74	(28.2)		48.03	(81.5)	
1975	141.96	(6.6)		96.25	(1.1)		45.71	(20.1)		146.84	(0.7)		99.83	(2.1)		47.01	(−2.2)	
1970 1st quarter	52.75	(4.4)	(3.9)	39.24	(4.9)	(4.4)	13.51	(2.9)	(2.7)	54.11	(4.5)	(3.8)	40.57	(5.7)	(4.5)	13.54	(0.9)	(0.7)
2nd quarter	54.35	(3.0)	(3.1)	40.56	(3.4)	(3.5)	13.79	(2.1)	(1.9)	55.63	(2.8)	(3.1)	41.81	(3.0)	(3.6)	13.82	(2.1)	(1.8)
3rd quarter	55.38	(1.9)	(2.6)	41.49	(2.3)	(2.8)	13.89	(0.7)	(2.2)	57.03	(2.5)	(2.8)	42.92	(2.7)	(3.1)	14.12	(2.1)	(1.7)
4th quarter	57.39	(3.6)	(2.8)	42.76	(3.0)	(2.5)	14.64	(3.4)	(3.5)	58.83	(3.2)	(2.6)	44.67	(4.1)	(2.9)	14.02	(0.6)	(1.5)
1971 1st quarter	58.48	(1.9)	(2.6)	43.47	(1.7)	(2.4)	15.01	(2.6)	(3.1)	59.67	(1.4)	(2.4)	45.12	(1.0)	(2.2)	14.55	(2.5)	(2.7)
2nd quarter	60.14	(2.8)	(3.4)	44.81	(3.1)	(3.4)	15.33	(2.1)	(3.4)	61.76	(3.5)	(2.9)	45.43	(2.9)	(2.5)	15.33	(5.3)	(4.1)
3rd quarter	68.79	(6.1)	(3.5)	47.44	(5.9)	(3.7)	16.35	(6.6)	(2.8)	63.74	(3.2)	(3.0	47.90	(3.2)	(3.1)	15.84	(3.3)	(2.8)
4th quarter	63.29	(−0.8)	(3.3)	47.59	(0.3)	(3.8)	15.70	(−3.9)	(1.7)	65.20	(2.3)	(4.1)	49.46	(3.3)	(4.5)	15.74	(−0.6)	(2.3)
1972 1st quarter	68.80	(8.7)	(4.8)	51.71	(8.7)	(5.5)	17.09	(8.3)	(2.6)	70.83	(8.6)	(5.3)	53.56	(8.3)	(5.5)	17.27	(9.7)	(4.8)
2nd quarter	70.76	(2.8)	(3.8)	53.95	(4.3)	(4.4)	16.81	(−1.6)	(2.0)	72.22	(2.0)	(3.7)	54.83	(2.4)	(3.6)	17.39	(0.7)	(4.1)
3rd quarter	71.59	(1.2)	(4.0)	54.30	(0.7)	(3.8)	17.29	(2.9)	(4.4)	74.17	(2.7)	(4.0)	55.79	(1.8)	(3.9)	18.37	(5.7)	(4.5)
4th quarter	79.42	(10.9)	(8.2)	59.83	(10.2)	(8.0)	19.59	(13.3)	(8.8)	81.05	(9.3)	(7.9)	61.31	(9.9)	(8.0)	19.74	(7.5)	(7.5)
1973 1st quarter	86.57	(9.0)	(9.7)	65.77	(9.9)	(9.7)	20.80	(5.2)	(10.0)	88.66	(9.4)	(9.6)	67.35	(9.9)	(9.5)	21.31	(8.0)	(9.8)
2nd quarter	95.29	(10.1)	(10.0)	71.49	(8.7)	(9.3)	23.80	(14.4)	(12.2)	97.65	(10.1)	(10.3)	73.10	(8.5)	(9.4)	24.55	(15.2)	(13.2)
3rd quarter	105.59	(10.8)	(9.1)	78.63	(10.0)	(8.2)	26.96	(13.3)	(11.7)	108.82	(11.4)	(9.6)	80.89	(10.7)	(8.1)	27.93	(13.8)	(14.2)
4th quarter	111.26	(5.4)	(7.0)	82.47	(4.9)	(6.4)	28.79	(6.8)	(9.1)	115.79	(6.4)	(9.1)	83.38	(3.3)	(5.7)	32.21	(15.3)	(18.6)
1974 1st quarter	118.94	(6.9)	(7.9)	87.26	(5.8)	(6.7)	31.68	(10.0)	(11.1)	129.17	(11.6)	(10.9)	88.34	(5.7)	(6.5)	40.83	(26.8)	(22.0)
2nd quarter	133.12	(11.9)	(8.5)	96.09	(10.1)	(6.8)	37.03	(16.9)	(13.0)	146.54	(13.4)	(10.5)	97.94	(10.9)	(7.6)	48.60	(19.0)	(16.8)
3rd quarter	137.90	(3.6)	(5.4)	97.70	(1.7)	(3.6)	40.20	(8.6)	(9.9)	152.91	(4.3)	(5.3)	101.13	(3.3)	(4.5)	51.78	(6.5)	(7.0)
4th quarter	142.25	(3.2)	(3.2)	99.27	(1.6)	(1.4)	42.98	(6.9)	(7.8)	153.19	(0.2)	(0.8)	102.30	(1.2)	(1.7)	50.88	(−1.7)	(−1.1)
1975 1st quarter	146.67	(3.1)	(1.3)	99.99	(0.7)	(−0.7)	46.68	(8.6)	(5.8)	151.20	(−1.3)	(−2.0)	104.32	(2.0)	(−0.2)	46.88	(−7.9)	(−5.6)
2nd quarter	140.99	(−3.9)	(−2.1)	94.22	(−5.8)	(−3.4)	46.77	(0.2)	(0.6)	142.93	(−5.5)	(−3.3)	98.71	(−5.4)	(−3.0)	44.22	(−5.7)	(−3.9)
3rd quarter	135.87	(−3.6)	(−1.2)	91.48	(−2.9)	(−0.5)	44.39	(−5.1)	(−1.6)	142.05	(−0.6)	(−0.2)	95.54	(−3.2)	(−1.7)	46.51	(5.2)	(2.9)
4th quarter	144.53	(6.4)		98.38	(7.5)		46.15	(4.0)		150.56	(6.0)		100.64	(5.3)		49.92	(7.3)	

* See definitions.
† Excluding United States special category exports (see definitions).
‡ Imports into Canada and the United States are valued fob.
Source :OECD.

DEFINITIONS

Areas

Industrial countries – All members of the OECD except New Zealand.
Primary producers – All other countries including New Zealand and centrally planned economies (Tables 1-5). The centrally planned economies are excluded as reporting countries but are included as markets for exports and suppliers of imports.
European Economic Community – Belgium-Luxembourg, Denmark, France, German Federal Republic, Ireland, Italy, Netherlands and United Kingdom.
European Free Trade Area – Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland.
OECD Europe – The members of the EEC and of EFTA, plus Greece, Spain and Turkey.

Manufactures

Manufactures of manufactured goods are the products defined by sections 5 to 8 of the United Nations Standard International Trade Classification (Revised). In 1972 the main manufacturing countries supplied 84 per cent of all exports of manufactured goods (excluding exports by the centrally planned economies).

Special category

The figures of United States exports (and hence of exports from the main manufacturing countries in total) exclude 'special category exports' for which detailed information on countries of destination is withheld by the United States authorities.

Growth rates

The smoothed series of percentage changes is intended to facilitate the assessment of trends by ironing out some of the fluctuations in the quarter to quarter percentage changes. Percentage changes are shown for the smoothed series obtained by averaging the quarterly totals according to the following formula: smoothed total for any quarter = ¼(1 × total for previous quarter + 2 × total for the quarter in question + 1 × total for the next quarter). Technically this smoothing device is known as 1, 2, 1 weighted average.

suggests that the US economy has now achieved a considerable degree of recovery from the depression.

In 1975 the value of total exports increased by 9 per cent. Markedly below the increases of 1973 and 1974. Imports began to rally in the second half of the year but were 8½ per cent down in value as compared with the same period a year earlier. In 1975 as a whole the value of imports was 3¾ per cent lower than in 1974. As a result of these movements the US trade surplus hit a record 11 billion dollars in 1975. This can be understood in terms of the effect of the marked domestic depression on imports. Exports to OPEC and the less developed countries grew or remained more buoyant; this relates to other industrial countries that were similarly affected by the depression.

The percentage of the labour force unemployed in 1975 reached 8.5 per cent compared with 5.6 per cent in 1974. For 1975 as a whole consumer prices increased by 7 per cent compared to the 12 per cent increase in 1974; representing the lowest growth rate since 1972 US consumer prices have already made considerable progress into 1976.

Canada

Industrial production in Canada fell slightly in the third quarter of 1975, but a last quarter improvement helped to lessen the fall for the year to one of 5 per cent. The situation in the labour market deteriorated throughout 1975. The percentage of the labour force unemployed increased to 7.1 per cent in 1975 compared with 5.4 per cent in the previous year.

Canada was hit particularly severely by the world recession, with a fall in total export value of 2 per cent in 1975 as compared with an increase of 30 per cent in 1974 (both measured in US dollars). In volume terms exports contracted by 7 per cent and imports by 5 per cent. In the second half of the year the value of imports was a little

TABLE 2 Exports from industrial countries

Quarters or quarterly averages, seasonally adjusted — US $ thousand million (fob). Percentage change over previous period in brackets

	Total	Canada	United States	Japan	OECD Europe	EFTA	EEC	United Kingdom	France	German Federal Republic	Italy
1967	36.51 (5.5)	2.64 (10.5)	7.88 (4.0)	2.61 (6.7)	22.52 (5.2)	3.47 (6.2)	18.44 (4.8)	3.61 (−2.0)	2.85 (4.4)	5.43 (7.9)	2.18 (8.2)
1968	41.08 (12.5)	3.14 (18.9)	8.60 (9.2)	3.24 (24.3)	25.21 (12.0)	3.83 (10.6)	20.74 (12.4)	3.86 (7.0)	3.18 (11.6)	6.21 (14.3)	2.55 (17.1)
1969	47.50 (15.6)	3.44 (9.6)	9.50 (10.4)	4.00 (23.3)	29.51 (17.1)	4.47 (16.5)	24.30 (17.2)	4.40 (14.1)	3.76 (18.2)	7.26 (17.0)	2.93 (15.1)
1970	55.01 (15.8)	4.04 (17.4)	10.81 (13.8)	4.83 (20.8)	34.15 (15.7)	5.16 (15.4)	28.09 (15.6)	4.84 (9.9)	4.49 (19.4)	8.55 (17.7)	3.30 (12.5)
1971	61.51 (11.8)	4.42 (9.5)	11.03 (2.0)	6.00 (24.2)	38.75 (13.5)	5.61 (8.8)	32.07 (14.2)	5.59 (15.6)	5.13 (14.4)	9.76 (14.2)	3.78 (14.6)
1972	72.70 (18.2)	5.05 (14.2)	12.42 (12.6)	7.15 (19.1)	46.42 (19.8)	6.77 (20.6)	38.29 (19.4)	6.09 (8.8)	6.44 (25.4)	11.55 (18.3)	4.64 (22.8)
1973	99.72 (37.2)	6.30 (24.8)	17.83 (43.6)	9.23 (29.1)	63.96 (37.8)	9.31 (37.5)	52.67 (37.6)	7.61 (25.0)	8.99 (39.6)	16.86 (46.0)	5.56 (19.9)
1974	133.23 (33.6)	8.20 (30.2)	24.63 (38.1)	13.88 (50.4)	83.76 (31.0)	12.33 (32.4)	68.78 (30.6)	9.68 (27.2)	11.48 (27.7)	22.29 (32.2)	7.57 (36.2)
1975	141.96 (6.6)	8.01 (−2.3)	26.93 (9.3)	13.96 (0.6)	90.05 (7.5)	13.21 (7.2)	74.00 (7.6)	10.97 (13.3)	13.05 (13.7)	22.62 (1.5)	8.71 (15.0)
1970											
1st qtr.	52.75 (4.4)	3.88 (7.6)	10.49 (1.5)	4.57 (6.7)	32.60 (4.6)	4.89 (3.7)	26.90 (4.8)	4.73 (1.9)	4.25 (7.0)	8.21 (3.6)	3.08 (8.8)
2nd qtr.	54.35 (3.0)	3.98 (2.6)	10.89 (3.9)	4.71 (3.2)	33.60 (3.0)	5.09 (4.2)	27.57 (2.5)	4.81 (1.6)	4.35 (2.3)	8.43 (2.7)	3.23 (4.9)
3rd qtr.	55.38 (1.9)	4.12 (3.4)	10.89 (Nil)	4.87 (3.2)	34.31 (2.1)	5.24 (2.8)	28.14 (2.1)	4.58 (−4.7)	4.54 (4.4)	8.65 (2.6)	3.42 (5.8)
4th qtr.	57.39 (3.6)	4.12 (Nil)	11.01 (1.1)	5.17 (6.2)	35.89 (4.6)	5.39 (2.8)	29.56 (5.1)	5.22 (13.9)	4.76 (4.8)	8.89 (2.8)	3.47 (1.4)
1971											
1st qtr.	58.48 (1.9)	4.32 (5.0)	11.37 (3.3)	5.54 (7.2)	36.08 (0.5)	5.36 (−0.4)	29.74 (0.6)	4.90 (−6.2)	4.82 (1.2)	9.22 (3.7)	3.53 (1.8)
2nd qtr.	60.14 (2.8)	4.31 (−0.3)	11.11 (−2.3)	5.93 (7.0)	37.46 (3.8)	5.49 (2.4)	30.94 (4.0)	5.62 (14.8)	4.89 (1.5)	9.52 (3.3)	3.53 (Nil)
3rd qtr.	63.79 (6.1)	4.49 (4.2)	11.81 (6.3)	6.12 (3.2)	40.01 (6.8)	5.64 (2.7)	33.28 (7.6)	5.83 (3.7)	5.38 (10.0)	10.18 (6.9)	3.93 (11.3)
4th qtr.	63.29 (−0.8)	4.51 (0.4)	9.93 (−15.9)	6.41 (4.7)	41.07 (2.6)	5.90 (4.5)	34.02 (2.2)	6.02 (3.3)	5.50 (2.2)	10.09 (−0.9)	4.18 (6.4)
1972											
1st qtr.	68.80 (8.7)	4.60 (2.0)	12.05 (21.3)	6.68 (4.2)	44.04 (7.2)	6.30 (6.9)	36.43 (7.1)	6.04 (0.4)	5.91 (7.5)	11.15 (10.5)	4.37 (4.5)
2nd qtr.	70.76 (2.8)	5.02 (9.1)	11.68 (−3.1)	6.65 (−0.5)	45.80 (4.0)	6.53 (3.7)	37.93 (4.1)	6.38 (5.5)	6.34 (7.3)	11.35 (1.8)	4.49 (2.7)
3rd qtr.	71.59 (1.2)	4.82 (−4.0)	12.53 (7.3)	7.26 (9.2)	45.34 (−1.0)	6.83 (4.5)	37.07 (−2.3)	5.39 (−15.5)	6.44 (1.6)	11.27 (−0.7)	4.55 (1.3)
4th qtr.	79.43 (10.9)	5.58 (15.8)	13.63 (8.8)	7.85 (8.1)	50.41 (11.2)	7.39 (8.2)	41.57 (12.1)	6.57 (21.9)	7.12 (10.6)	12.59 (11.7)	4.96 (9.0)
1973											
1st qtr.	86.57 (9.0)	5.81 (4.2)	15.42 (13.1)	8.28 (5.5)	54.86 (8.2)	8.08 (9.3)	45.02 (8.3)	6.77 (3.0)	7.72 (8.4)	14.02 (11.4)	4.40 (−11.3)
2nd qtr.	95.29 (10.1)	6.00 (3.3)	16.86 (9.3)	8.76 (5.8)	61.33 (11.8)	8.89 (10.0)	50.56 (12.3)	7.67 (13.3)	8.70 (12.7)	16.03 (14.3)	5.28 (20.0)
3rd qtr.	105.59 (10.8)	6.09 (1.5)	18.63 (10.5)	9.36 (6.8)	69.11 (12.6)	9.82 (10.5)	57.06 (12.9)	8.06 (5.1)	9.68 (11.3)	18.68 (16.5)	6.11 (15.7)
4th qtr.	111.26 (5.4)	6.76 (11.0)	20.72 (11.2)	10.43 (11.4)	70.50 (2.0)	10.37 (5.6)	58.01 (1.7)	7.94 (−1.5)	9.95 (2.8)	18.70 (0.1)	6.40 (4.7)
1974											
1st qtr.	118.94 (6.9)	7.44 (10.1)	22.33 (7.8)	11.44 (9.7)	75.17 (6.6)	11.10 (7.0)	61.70 (6.4)	8.25 (3.9)	10.45 (5.0)	20.57 (10.0)	6.62 (3.4)
2nd qtr.	133.12 (11.9)	7.97 (7.1)	24.40 (9.3)	13.91 (21.6)	84.15 (11.9)	12.34 (11.2)	69.07 (11.9)	9.92 (20.2)	11.21 (7.3)	22.76 (10.6)	7.20 (8.8)
3rd qtr.	137.90 (3.6)	8.64 (8.4)	25.28 (3.6)	14.45 (3.9)	86.56 (2.9)	12.67 (2.7)	71.27 (3.2)	10.39 (4.7)	11.90 (6.2)	22.39 (−1.6)	8.14 (13.1)
4th qtr.	142.25 (3.2)	8.34 (−3.5)	26.71 (5.7)	15.40 (6.6)	88.94 (2.7)	13.15 (3.8)	72.85 (2.2)	10.10 (−2.8)	12.47 (4.8)	23.34 (4.2)	8.18 (0.5)
1975											
1st qtr.	146.67 (3.1)	8.04 (−3.6)	26.85 (0.5)	14.91 (−3.2)	93.87 (5.5)	13.96 (6.2)	77.12 (5.9)	11.43 (13.2)	13.56 (8.7)	23.63 (1.2)	8.71 (6.5)
2nd qtr.	140.99 (−3.9)	7.93 (−1.4)	25.79 (3.9)	13.84 (−7.2)	90.31 (−3.8)	13.07 (−6.4)	74.45 (−3.5)	11.03 (−3.5)	13.32 (−1.8)	23.13 (2.1)	8.45 (−3.0)
3rd qtr.	135.87 (−3.6)	7.80 (−1.6)	27.14 (5.2)	13.18 (−4.8)	84.83 (−6.1)	12.19 (−6.7)	69.81 (−6.2)	10.51 (−4.7)	12.44 (−6.6)	21.06 (−8.9)	8.68 (2.7)
4th qtr.	144.53 (6.4)	8.24 (5.6)	28.21 (3.9)	14.08 (6.8)	91.16 (7.5)	13.32 (9.2)	74.87 (7.2)	11.16 (6.2)	12.88 (3.5)	22.39 (6.3)	9.02 (3.9)

Sources: United Kingdom: DTI
Other countries: OECD

higher than the April to June level. For the year as a whole imports increased by only 4½ per cent compared to increases of around 23 and 38 per cent in 1973 and 1974. Exports to the US (Canada's main trading partner) rose by less than 1 per cent in value, while imports rose by 10½ per cent. The Canadian trade balance for 1975 registered a deficit of nearly 800 million Canadian dollars compared with a surplus in 1974.

France

Activity in France stabilised in the third quarter of 1975 and in the last quarter industrial production showed an improvement of 3 per cent over the previous quarter. For the year as a whole industrial production fell by 9 per cent. As in other major industrial countries unemployment increased strongly during 1975. At the end of the year the number of persons unemployed stood at more than double the average for 1974.

The first signs of an upturn in domestic demand were followed by a deterioration in the trade balance in the fourth quarter of 1975. For 1975 as a whole a trade balance surplus of around 1½ billion dollars was registered. The dollar value of exports improved by 3½ per cent in the last quarter of the year (following the general trend of industrial countries) and the increase over the year was only 13½ per cent. Imports fell during the second and third quarters but recovered markedly in the final quarter. Even still the dollar value of imports rose by only 2½ per cent in 1975 compared with increases of around 40 per cent in 1973 and 1974.

Consumer prices rose by 9½ per cent in 1975 compared with 15 per cent in 1974. French rates of inflation finished the year in excess of competitors averages.

Japan

Industrial activity in Japan stirred in the third quarter of 1975 but then stayed virtually unchanged in the final months of the year. For 1975 as a whole industrial production fell by 10½ per cent, which represented a considerably greater fall than experienced in most major countries.

Inflationary movements (as measured by consumer prices) were quite irregular over the year. Monthly price increases slackened until mid-1975 and remained at about the same level until the end of the year, bringing the 1975 inflation rate to 7½ per cent. Unemployment was markedly higher than in recent cycles.

There was a considerable downturn in the level of export earnings

TABLE 3 Imports into industrial countries

Quarters or quarterly averages, seasonally adjusted

US $ thousand million (cif). Percentage change over previous period in brackets

	Total		Canada†		United States†		Japan		OECD Europe		EFTA		EEC		United Kingdom		France		German Federal Republic		Italy	
1967	37.83	(5.5)	2.56	(10.1)	6.71	(5.0)	2.92	(22.4)	24.77	(3.2)	4.19	(3.7)	19.25	(3.6)	4.43	(6.2)	3.10	(4.4)	4.34	(−3.7)	2.46	(14.4)
1968	42.51	(12.4)	2.86	(11.6)	8.28	(23.5)	3.25	(11.3)	27.15	(9.6)	4.40	(5.2)	21.33	(10.8)	4.74	(7.1)	3.50	(12.7)	5.04	(16.1)	2.56	(4.3)
1969	49.02	(15.3)	3.29	(14.9)	9.01	(8.8)	3.76	(15.7)	31.95	(17.7)	5.08	(15.3)	25.23	(18.3)	4.99	(5.3)	4.35	(24.4)	6.23	(23.7)	3.11	(21.4)
1970	56.41	(15.1)	3.33	(1.3)	9.99	(10.9)	4.72	(25.6)	37.24	(16.5)	6.27	(23.4)	29.07	(15.2)	5.42	(8.7)	4.78	(9.9)	7.45	(19.6)	3.74	(20.1)
1971	62.68	(11.1)	3.86	(15.9)	11.40	(14.1)	4.93	(4.4)	41.32	(11.0)	6.83	(8.9)	32.45	(11.6)	5.98	(10.3)	5.31	(11.1)	8.59	(15.2)	4.00	(7.0)
1972	74.50	(18.9)	4.73	(22.4)	13.89	(21.8)	5.87	(19.1)	48.83	(18.2)	7.91	(15.8)	38.30	(18.0)	6.96	(16.4)	6.64	(25.1)	9.94	(15.8)	4.82	(20.6)
1973	102.71	(37.9)	5.83	(23.1)	17.28	(24.4)	9.58	(65.2)	68.30	(39.9)	10.69	(35.1)	53.81	(40.5)	9.69	(39.2)	9.35	(40.7)	13.62	(37.0)	6.95	(44.3)
1974	145.77	(41.9)	8.07	(38.4)	25.24	(46.1)	15.53	(62.1)	94.14	(37.8)	14.86	(39.0)	73.39	(36.4)	13.56	(39.9)	13.21	(41.3)	17.24	(26.6)	10.24	(47.3)
1975	146.84	(0.7)	8.44	(4.6)	24.28	(−3.8)	14.46	(−6.9)	97.16	(3.2)	15.59	(4.9)	75.01	(2.2)	13.39	(−1.3)	13.56	(2.6)	18.59	(7.8)	9.59	(−6.4)
1970																						
1st qtr.	54.11	(4.5)	3.31	(−2.3)	9.73	(2.1)	4.45	(9.1)	35.53	(5.4)	5.95	(7.7)	27.68	(4.7)	5.14	(1.6)	4.53	(3.2)	7.25	(6.8)	3.49	(6.7)
2nd qtr.	55.63	(2.8)	3.35	(1.4)	9.70	(−0.3)	4.61	(3.5)	36.85	(3.7)	6.15	(3.5)	28.82	(4.1)	5.49	(6.6)	4.68	(3.4)	7.33	(1.1)	3.71	(5.3)
3rd qtr.	57.03	(2.5)	3.45	(2.9)	10.02	(3.3)	4.90	(6.3)	37.49	(1.7)	6.32	(2.8)	29.31	(1.7)	5.33	(−2.9)	4.90	(4.5)	7.48	(2.0)	3.93	(5.7)
4th qtr.	58.88	(3.2)	3.20	(−7.1)	10.52	(5.0)	4.93	(0.7)	39.07	(4.2)	6.62	(4.7)	30.56	(4.2)	5.73	(7.7)	5.03	(2.7)	7.78	(4.0)	3.83	(−2.2)
1971																						
1st qtr.	59.67	(1.4)	3.62	(13.2)	10.82	(2.8)	4.92	(−0.2)	39.20	(0.3)	6.40	(−3.4)	30.96	(1.3)	5.71	(−0.5)	4.97	(−1.1)	8.09	(4.0)	4.02	(4.9)
2nd qtr.	61.76	(3.5)	3.74	(3.5)	11.56	(6.9)	4.94	(0.4)	40.34	(2.9)	6.70	(4.7)	31.53	(1.9)	5.91	(3.5)	5.15	(3.5)	8.39	(3.7)	3.83	(−4.9)
3rd qtr.	63.74	(3.2)	3.92	(5.1)	12.06	(4.3)	4.72	(−4.4)	41.84	(3.7)	6.94	(3.6)	32.85	(4.2)	5.96	(0.9)	5.50	(6.9)	8.81	(5.0)	3.99	(4.4)
4th qtr.	65.20	(2.3)	4.17	(6.3)	11.21	(−7.1)	5.14	(8.8)	43.49	(4.0)	7.19	(3.6)	34.19	(4.1)	6.34	(6.4)	5.64	(2.6)	9.06	(2.9)	4.19	(4.9)
1972																						
1st qtr.	70.83	(8.6)	4.41	(5.8)	13.46	(20.1)	5.40	(5.1)	46.37	(6.6)	7.47	(3.8)	36.58	(7.0)	6.85	(8.0)	6.35	(12.6)	9.54	(5.3)	4.46	(6.4)
2nd qtr.	72.22	(2.0)	4.64	(5.0)	13.20	(−1.9)	5.46	(1.1)	47.79	(3.1)	7.76	(3.9)	37.46	(2.4)	6.96	(1.5)	6.46	(1.6)	9.89	(3.7)	4.61	(3.4)
3rd qtr.	74.17	(2.7)	4.72	(1.7)	14.06	(6.5)	5.96	(9.2)	48.31	(1.1)	7.88	(1.5)	37.69	(0.6)	6.53	(−6.1)	6.61	(2.3)	9.84	(−0.6)	4.90	(6.2)
4th qtr.	81.05	(9.3)	5.09	(7.5)	15.22	(8.3)	6.65	(11.7)	52.46	(8.6)	8.47	(7.5)	41.12	(9.1)	7.50	(14.8)	7.25	(9.8)	10.52	(6.9)	5.32	(8.7)
1973																						
1st qtr.	88.66	(9.4)	5.49	(7.9)	16.02	(5.3)	7.43	(11.7)	58.31	(11.2)	9.30	(9.8)	45.62	(10.9)	8.13	(8.4)	7.94	(9.5)	11.95	(13.6)	5.37	(0.9)
2nd qtr.	97.65	(10.1)	5.56	(1.3)	16.58	(3.5)	9.06	(21.9)	64.86	(11.2)	9.79	(5.3)	51.60	(13.1)	9.44	(16.1)	9.00	(13.4)	13.00	(8.8)	6.78	(26.3)
3rd qtr.	108.82	(11.4)	5.80	(4.3)	17.62	(6.3)	10.17	(12.3)	73.43	(13.2)	11.64	(18.9)	57.87	(12.2)	10.22	(8.3)	10.22	(13.6)	14.44	(11.1)	7.71	(13.7)
4th qtr.	115.28	(5.9)	6.38	(10.0)	18.91	(7.3)	11.67	(14.7)	76.23	(3.8)	11.89	(2.1)	59.93	(3.6)	10.94	(7.0)	10.43	(2.1)	15.08	(4.4)	8.00	(3.8)
1974																						
1st qtr.	129.17	(12.0)	7.16	(12.2)	21.62	(14.3)	14.27	(22.3)	83.73	(9.8)	13.02	(9.5)	65.66	(9.6)	12.06	(10.2)	11.97	(14.8)	15.35	(1.8)	9.39	(17.4)
2nd qtr.	146.54	(13.4)	7.73	(8.0)	24.95	(15.4)	15.89	(11.4)	95.17	(13.7)	14.79	(13.6)	74.51	(13.5)	14.21	(17.8)	13.25	(10.7)	17.44	(13.6)	10.20	(8.6)
3rd qtr.	152.91	(4.3)	8.57	(10.9)	27.19	(9.0)	15.82	(−0.4)	98.19	(3.2)	15.66	(5.9)	76.61	(2.8)	14.01	(−1.4)	13.94	(5.2)	17.87	(2.5)	11.12	(9.0)
4th qtr.	153.19	(0.2)	8.66	(1.1)	27.29	(0.4)	16.03	(1.3)	98.41	(0.2)	15.74	(0.5)	75.95	(−0.9)	14.10	(0.6)	13.81	(−0.9)	18.35	(2.7)	10.31	(−7.3)
1975																						
1st qtr.	151.20	(−1.3)	8.61	(−0.6)	25.00	(−8.4)	14.90	(−7.0)	100.08	(1.7)	17.03	(8.2)	76.16	(0.3)	14.05	(−0.3)	14.02	(1.5)	18.62	(1.5)	9.27	(−10.1)
2nd qtr.	142.93	(−5.5)	8.44	(−2.0)	22.28	(−10.9)	13.52	(−9.3)	96.18	(−3.9)	16.19	(−4.9)	73.40	(−3.6)	13.09	(−6.8)	13.13	(−6.3)	18.68	(0.3)	9.04	(−2.5)
3rd qtr.	142.05	(−0.6)	8.43	(−0.1)	24.30	(9.1)	14.45	(6.9)	92.43	(−3.9)	14.74	(−9.0)	71.53	(−2.5)	13.18	(0.7)	12.78	(−2.7)	17.87	(−4.3)	9.40	(4.0)
4th qtr.	150.56	(6.0)	8.58	(1.8)	25.52	(5.0)	15.10	(4.5)	99.05	(7.2)	14.35	(−2.6)	77.97	(9.0)	13.20	(0.2)	14.33	(12.1)	19.29	(7.9)	10.60	(12.8)

† Canadian and United States imports are valued fob.
Sources: United Kingdom: DTI
Other countries: OECD

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during 1975. Exports gained only ½ per cent compared with the 50 per cent increase in 1974. Similarly, the low level of domestic activity restricted imports, which fell in value by 7 per cent compared to a increase of 62 per cent in 1974. As in most of the industrial countries, trade in the last quarter of the year made some progress. Exports and imports rose in dollar terms by 7 per cent and 4½ per cent respectively, from the previous quarter.

Federal Republic of Germany

Industrial production in the Federal Republic troughed in the third quarter of 1975 at a level 8 per cent lower than in the same period a year earlier. The substantial recovery in the fourth quarter brought the percentage decrease for 1975 as a whole to 6½ per cent. This fall was less than the average for industrial countries suggesting that the depression may have had a relatively less serious impact in the Republic than elsewhere.

Imports grew by only 3 per cent and exports fell by around 9 per cent, both in volume terms. Expressed in US dollars, exports rose by 1½ per cent and imports by almost 8 per cent. Countries like Italy, Switzerland, the US and Japan cut their German imports by between one-sixth and almost a third. By contrast exports to the Eastern Bloc, and to the oil producing countries increased by 11 and 67 per cent, respectively.

Germany experienced the lowest rate of inflation among the main manufacturing countries in 1975; 5½ per cent compared to an average of 6 per cent in 1975. However, despite the signs of general recovery by the end of the year, the labour market remained weak. Unemployment stood at 4.7 per cent of the working population in 1975, compared to 2.6 per cent in 1974.

Italy

Like so many of the other major trading nations, Italy suffered a deep decline in industrial production in 1975. Some progress was made in the last quarter, when production reached about the same level as in the same period a year earlier. For the year as a whole industrial production declined by just over 9 per cent.

Exports began to show signs of recovery in the third quarter and made considerable progress in the final quarter of last year. This late boost may have been partly due to the depreciation of the lira giving Italy a competitive edge in the export market. For the year as a whole exports increased in dollar value by around 15 per cent. The revival of economic activity was reflected by an increase of nearly 13 per cent in dollar value of imports in the fourth quarter of the year but for 1975 as a whole import value was down 6½ per cent. Exports to the Middle East and Eastern Europe made a considerable improvement throughout the year. Exports to OPEC countries increased in dollar value by 83 per cent between the first three quarters of 1974 and 1975, a performance that was only outpaced by the UK among its major competitors. The percentage of work force unemployed increased from 3.1 per cent in the first quarter of the year to 3.5 per cent in the last quarter. For 1975 as a whole the unemployment rate was 3.3 per cent compared to 2.9 per cent in 1974. Consumer prices for the year as a whole rose by 11.2 per cent mainly as a result of increases in domestic costs and import prices.

TABLE 4 World Trade

Quarters or quarterly averages, seasonally adjusted — US $ thousand million

	Exports (fob) from										Imports (cif) into								
	World			Industrial countries			Primary producers			Volume of world exports 1970 =100	World			Industrial countries			Primary producers		
		Percentage change			Percentage change			Percentage change				Percentage change			Percentage change			Percentage change	
		over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*			over previous period	in smoothed series*		over previous period	in smoothed series*		over previous period	in smoothed series*
1967	47.47	(5.0)		36.51	(5.5)		10.96	(3.5)		73	49.75	(5.2)		37.83	(5.5)		11.92	(4.6)	
1968	53.01	(11.7)		41.08	(12.5)		11.93	(8.9)		83	55.26	(11.1)		42.51	(12.4)		12.75	(7.0)	
1969	60.65	(14.4)		47.50	(15.6)		13.15	(10.2)		92	62.96	(13.9)		49.02	(15.3)		13.94	(9.3)	
1970	69.69	(14.9)		55.01	(15.8)		14.68	(11.6)		100	72.46	(15.1)		56.41	(15.1)		16.05	(15.1)	
1971	78.15	(12.1)		61.51	(11.9)		16.64	(13.4)		107	81.12	(12.0)		62.68	(11.1)		18.44	(14.9)	
1972	92.91	(18.9)		72.70	(18.2)		20.21	(21.5)		117	94.65	(16.7)		74.50	(18.9)		20.15	(9.3)	
1973	131.88	(41.9)		99.72	(37.2)		32.16	(59.1)		131	132.38	(39.9)		102.71	(37.9)		29.67	(47.2)	
1974	190.98	(44.8)		133.23	(33.6)		57.75	(79.6)		139	188.02	(42.0)		145.77	(41.9)		42.25	(42.4)	
1975																			
1970																			
1st qtr.	66.80	(3.9)	(3.7)	52.75	(1.4)	(3.9)	14.06	(2.2)	(2.9)	96	69.08	(3.7)	(3.5)	54.11	(4.5)	(3.8)	14.97	(1.1)	(2.7)
2nd qtr.	69.20	(3.5)	(3.2)	54.35	(3.0)	(3.1)	14.86	(5.7)	(3.5)	101	71.44	(3.4)	(3.3)	55.63	(2.8)	(3.1)	15.82	(5.6)	(3.8)
3rd qtr.	70.31	(1.6)	(2.4)	55.38	(1.9)	(2.6)	14.93	(0.5)	(1.5)	100	73.36	(2.7)	(3.1)	57.03	(2.5)	(2.8)	16.32	(3.2)	(4.1)
4th qtr.	72.27	(2.8)	(2.4)	57.39	(3.6)	(2.8)	14.88	(−0.3)	(0.9)	104	75.94	(3.5)	(2.9)	58.88	(3.2)	(2.6)	17.05	(4.5)	(4.2)
1971																			
1st qtr.	73.91	(2.3)	(2.8)	58.48	(1.9)	(2.6)	15.43	(3.7)	(3.6)	104	77.53	(2.1)	(2.8)	59.67	(1.4)	(2.4)	17.85	(4.6)	(4.2)
2nd qtr.	76.66	(3.7)	(4.0)	60.14	(2.8)	(3.4)	16.52	(7.1)	(6.3)	108	80.17	(3.4)	(3.0)	61.76	(3.5)	(2.9)	18.41	(3.1)	(3.1)
3rd qtr.	81.47	(6.3)	(3.6)	63.79	(6.1)	(3.5)	17.68	(7.0)	(4.0)	109	82.47	(2.8)	(2.7)	63.74	(3.2)	(3.0)	18.73	(1.7)	(1.7)
4th qtr.	80.23	(−1.5)	(3.1)	63.29	(−0.8)	(3.3)	16.94	(−4.2)	(2.6)	108	83.98	(1.8)	(3.5)	65.20	(2.3)	(4.1)	18.78	(0.3)	(1.6)
1972																			
1st qtr.	87.88	(9.5)	(5.0)	68.80	(8.7)	(4.8)	19.08	(12.7)	(5.9)	113	90.30	(7.5)	(4.7)	70.83	(8.6)	(5.3)	19.47	(3.7)	(2.5)
2nd qtr.	90.46	(2.9)	(4.2)	70.76	(2.8)	(3.8)	19.70	(3.2)	(5.9)	116	92.16	(2.1)	(3.4)	72.22	(2.0)	(3.7)	19.94	(2.4)	(2.3)
3rd qtr.	92.34	(2.1)	(4.1)	71.59	(1.2)	(4.0)	20.75	(5.3)	(4.1)	115	94.26	(2.3)	(3.8)	74.17	(2.7)	(4.0)	20.09	(0.8)	(2.2)
4th qtr.	100.73	(9.1)	(8.3)	79.42	(10.9)	(8.2)	21.31	(2.7)	(9.2)	125	102.16	(8.4)	(7.7)	81.05	(9.3)	(7.9)	21.11	(5.1)	(7.6)
1973																			
1st qtr.	113.31	(12.5)	(11.1)	86.57	(9.0)	(9.7)	26.74	(25.5)	(15.8)	127	113.74	(11.3)	(10.3)	88.66	(9.4)	(9.6)	25.08	(18.8)	(13.0)
2nd qtr.	124.86	(10.2)	(11.1)	95.29	(10.1)	(10.0)	29.57	(10.6)	(14.6)	131	125.10	(10.0)	(10.8)	97.65	(10.1)	(10.3)	27.45	(9.4)	(12.4)
3rd qtr.	139.33	(11.6)	(10.1)	105.59	(10.8)	(9.1)	33.74	(14.1)	(13.4)	131	139.82	(11.8)	(10.2)	108.82	(11.4)	(9.6)	31.00	(12.9)	(12.5)
4th qtr.	149.85	(7.6)	(10.9)	111.26	(5.4)	(7.0)	38.59	(14.4)	(26.2)	134	150.95	(8.0)	(9.1)	115.79	(6.4)	(9.1)	35.16	(13.4)	(12.7)
1974																			
1st qtr.	174.40	(16.4)	(12.8)	118.94	(6.9)	(7.9)	55.46	(93.7)	(22.8)	139	163.80	(8.5)	(10.2)	129.17	(11.6)	(10.9)	34.63	(−1.5)	(4.6)
2nd qtr.	193.35	(10.9)	(9.5)	133.12	(11.9)	(8.5)	60.23	(8.6)	(11.8)	141	188.91	(15.3)	(10.7)	146.54	(13.4)	(10.5)	42.37	(22.4)	(11.4)
3rd qtr.	196.51	(1.6)	(3.7)	137.90	(3.6)	(5.4)	58.61	(−2.7)	(−0.2)	140	197.00	(4.3)	(6.1)	152.91	(4.3)	(5.3)	44.09	(4.1)	(9.2)
4th qtr.	198.95	(1.2)	(0.8)	142.25	(3.2)	(3.2)	56.70	(−3.3)	(−4.9)	136	201.11	(2.1)	(1.9)	153.19	(0.2)	(0.8)	47.92	(8.7)	(5.7)
1975																			
1st qtr.	197.22	(−0.9)	(−0.7)	146.67	(3.1)	(1.3)	50.62	(−10.7)	(−6.0)	129	199.81	(−0.6)	(−0.6)	151.20	(−1.3)	(−2.0)	48.71	(1.6)	(3.8)
2nd qtr.	192.33	(−2.5)	(−1.2)	140.99	(−3.9)	(−2.1)	51.43	(1.6)	(1.3)	131	193.26	(−3.3)		142.93	(−5.5)	(−3.3)	50.43	(3.5)	
3rd qtr.	194.35	(1.1)		135.87	(−3.6)		58.60	(13.9)		134				142.05	(−0.6)				
4th qtr.				144.53	(6.4)									150.56	(6.0)				

* See definitions.
† Imports into Canada and the United States are valued fob.
Sources: Industrial countries: OECD.
Primary producers: International Monetary Fund (seasonally adjusted by DTI)
Volume index: United Nations (seasonally adjusted by DTI).

TABLE 5 Index numbers of industrial production

Seasonally adjusted

1970 = 100

	Industrial countries	Canada	United States	Japan	OECD Europe	Sweden	EEC	United Kingdom	France	German Federal Republic	Italy
Weights	100.0	3.6	43.3	11.9	39.6	1.3	33.1	6.4	6.0	13.2	4.4
1967	84	86	94	63	80	83	90	90	80	74	85
1968	91	92	99	76	85	88	87	98	84	83	90
1969	98	98	104	88	95	94	95	100	94	94	94
1970	100	100	100	100	100	100	100	100	100	100	100
1971	101	106	100	103	102	101	102	100	104	102	100
1972	108	113	108	110	107	104	106	102	112	106	104
1973	118	123	118	127	116	111	115	111	120	113	114
1974	118	126	117	124	117	118	115	108	123	112	128
1975	109	120	107	111	109	115	107	103	112	105	108
1970 1st quarter	100	101	101	97	99	100	100	100	100	100	100
2nd quarter	100	100	101	100	100	101	100	99	100	101	99
3rd quarter	100	100	100	101	100	101	100	100	99	100	99
4th quarter	99	100	97	102	101	102	101	101	101	100	101
1971 1st quarter	101	102	99	103	102	101	102	100	104	102	99
2nd quarter	101	104	100	102	102	100	102	101	103	103	98
3rd quarter	102	106	100	103	103	100	103	100	107	102	100
4th quarter	102	108	101	104	103	101	103	100	108	100	101
1972 1st quarter	104	110	103	106	105	102	105	97	112	103	103
2nd quarter	107	112	107	108	106	102	106	102	110	105	104
3rd quarter	109	112	109	111	107	106	106	103	112	105	102
4th quarter	113	118	113	116	111	107	110	106	116	110	108
1973 1st quarter	115	121	115	122	113	109	112	110	118	113	105
2nd quarter	117	123	117	127	115	111	114	110	120	113	114
3rd quarter	119	122	119	129	117	114	115	111	122	113	118
4th quarter	120	125	119	132	118	116	117	110	122	115	120
1974 1st quarter	120	128	117	130	118	118	116	104	125	114	123
2nd quarter	120	127	118	127	119	122	117	110	126	113	125
3rd quarter	119	125	118	122	118	120	116	110	126	112	119
4th quarter	114	124	114	115	114	120	111	107	118	109	111
1975 1st quarter	108	120	105	106	110	120	109	107	114	106	110
2nd quarter	107	120	103	110	108	115	105	101	111	103	107
3rd quarter	108	119	107	113	107	116	104	101	111	102	106
4th quarter	111	120	110	113	111	116	108	101	114	107	110

Source: OECD.

TABLE 6 Exports of manufactures by the main manufacturing countries

Quarters or quarterly averages

US $ thousand million (fob)

	Total†* seasonally adjusted)	United Kingdom (seasonally adjusted)	UK share per cent	Canada	United States†	Japan	Sweden	Switzerland	Belgium-Luxembourg	France*	German Federal Republic	Italy	Netherlands
1967	24.86	3.02	12.2	1.47	5.07	2.44	0.83	0.80	1.44	2.11	4.87	1.75	1.06
1968	28.62	3.25	11.3	1.83	5.78	3.05	0.91	0.90	1.67	2.35	5.57	2.10	1.22
1969	33.52	3.75	11.2	2.12	6.47	3.74	1.07	1.05	2.07	2.76	6.56	2.44	1.49
1970	38.57	4.08	10.6	2.39	7.17	4.53	1.31	1.16	2.40	3.40	7.67	2.77	1.70
1971	34.54	4.77	10.9	2.61	7.42	5.66	1.44	1.31	2.57	3.85	8.75	3.16	2.02
1972	51.17	5.16	10.1	2.94	8.27	6.77	1.68	1.57	3.31	4.76	10.38	3.91	2.42
1973	68.23	6.41	9.4	3.42	10.95	8.69	2.34	2.17	4.57	6.53	15.08	4.66	3.45
1974	91.44	8.01	8.8	4.13	15.57	13.12	3.03	2.73	5.76	8.40	19.74	6.22	4.74
1975	98.12 p	9.15	9.3 p	4.15	17.36	13.30	3.45	2.99 p		9.98 p	19.90 p		
1970 1st quarter	36.88	4.04	10.9	2.26	7.14	3.88	1.21	1.06	2.27	3.17	7.04	2.53	1.56
2nd quarter	38.37	4.05	10.6	2.58	7.75	4.37	1.32	1.18	2.54	3.55	7.62	2.87	1.66
3rd quarter	39.91	3.86	9.9	2.17	6.75	4.71	1.20	1.11	2.19	3.09	7.52	2.79	1.70
4th quarter	40.10	4.39	11.0	2.54	7.04	5.15	1.50	1.29	2.60	3.79	8.48	2.95	1.87
1971 1st quarter	41.37	4.22	10.2	2.51	7.55	4.75	1.42	1.15	2.41	3.73	8.11	2.89	1.89
2nd quarter	42.21	4.78	11.3	2.79	7.84	5.53	1.47	1.27	2.52	3.90	8.40	3.07	1.95
3rd quarter	45.75	4.88	10.7	2.40	7.47	5.98	1.28	1.29	2.48	3.57	8.88	3.16	2.01
4th quarter	44.82	5.18	11.6	2.74	6.84	6.36	1.60	1.51	2.89	4.18	9.59	3.50	2.23
1972 1st quarter	49.14	5.12	10.4	2.75	8.25	5.87	1.59	1.46	2.99	4.52	9.79	3.68	2.34
2nd quarter	50.17	5.39	10.7	3.23	8.80	8.24	1.67	1.53	3.42	4.96	10.21	3.95	2.51
3rd quarter	50.73	4.54	8.9	2.51	7.82	7.12	1.53	1.50	3.01	4.22	9.78	3.71	2.29
4th quarter	54.65	5.57	10.2	3.26	8.72	7.85	1.95	1.80	3.81	5.33	11.74	4.28	2.58
1973 1st quarter	59.63	5.76	9.7	3.30	9.89	7.10	2.11	1.84	3.92	5.69	12.42	3.32	3.22
2nd quarter	65.18	6.45	9.9	3.51	11.04	8.17	2.28	2.12	4.42	6.67	14.33	4.46	3.89
3rd quarter	73.10	6.71	9.2	2.94	10.52	9.06	2.18	2.23	4.62	6.27	16.18	5.04	3.41
4th quarter	74.99	6.71	8.9	3.93	12.33	10.41	2.77	2.49	5.33	7.47	17.37	5.60	3.74
1974 1st quarter	79.84	6.75	8.5	3.72	14.09	9.66	2.53	2.45	5.02	7.40	18.83	5.17	4.19
2nd quarter	91.22	8.07	8.9	4.19	16.05	13.07	3.16	2.79	6.34	8.69	20.22	5.88	5.02
3rd quarter	97.17	8.66	8.9	3.97	15.15	14.07	2.95	2.34	5.50	8.11	16.38	6.79	4.83
4th quarter	97.55	8.56	8.8	4.64	16.97	15.70	3.49	3.38	6.17	9.40	21.53	7.04	4.91
1975 1st quarter	97.94	9.34	9.5	3.97	16.89	12.51	3.54	2.95	6.14	10.25	19.78	6.93	4.86
2nd quarter	99.67	9.21	9.2	4.35	17.93	13.04	3.79	3.13	6.02	10.98	21.02	7.27	5.13 p
3rd quarter	96.31 p	8.70	9.0	3.73	16.48	13.14	2.89	2.71	4.72	8.62	18.40	7.23 p	4.12 p
4th quarter	98.26 p	9.33	9.5	4.53 p	18.16	14.50	3.59	3.18 p		10.08 p	20.42 p		

† Excluding United States special category exports (see definitions).

Sources: United Kingdom and Total: DTI
Other countries: OECD.

* The 1970, 1971 and 1972 figures include exports of certain items valued at $138, $163 and $196 million respectively which are assigned to section 5 of OECD but to section 9 by other reporting authorities.

Wholesale prices in May

Output prices

The provisional price index for the home sales of manufactured products rose by 1½ per cent in May to 214.6 (1970 = 100). The increased duty on cigarettes announced in the Budget was responsible for an increase of ¼ per cent in this index.

The further rise of 1¼ per cent in the provisional price index for manufactured goods other than food, drink and tobacco was slightly higher than expected from the recent quarterly pattern of price changes. The latest three months to May show an increase of 3¼ per cent compared with 5¼ per cent in the same period last year.

Price rises for vehicles in late April made the most significant contribution to the increase in the index for manufactured goods other than food, drink and tobacco and were responsible for a rise of 2¾ per cent in the provisional price index for vehicles.

The provisional price indices for metal manufactures and the output of metal goods industries n.e.s. both rose by more than 2 per cent. This reflected higher prices for products using copper, lead and other imported commodities which have shown sharp price increases this year.

Many of the products of the bricks, cement and other building materials industries showed sharp price rises and were responsible for an increase of 3 per cent in this index.

The provisional price indices for most other sectors of industry rose by more than 1 per cent with only the products of the instrument engineering and clothing and footwear industries showing increases of less than ½ per cent.

Price increases for animal and poultry foods were mainly responsible for the rise of 1¼ per cent in the provisional price index for the output of food manufacturing industries. The index for manufactured food excluding animal and poultry foods rose by only ¾ per cent in May.

The change in the index for all manufactured products measured over a twelve-month period has now fallen for twelve successive months. The figure fell from 15¾ per cent for April to 14½ per cent for May.

Input prices

The provisional index for materials and fuel purchased by manufacturing industry rose by 2 per cent to 290.7.

The index for materials purchased by manufacturing industry other than the food, drink and tobacco industries rose by 2½ per cent in May. This increase was again due to higher prices for a wide range of imported commodities and semi-manufactures reflecting the depreciation of the pound against major foreign currencies for the third successive month. This index has risen by 13 per cent in the three months March to May 1976.

Sharp price rises for imported timber, particularly softwood, were responsible for an increase of 4¾ per cent in the index for materials and fuel purchased by the timber industries. These increases also made the largest contribution to rises of 3¼ per cent and 2¾ per cent in the indices for housebuilding and construction materials respectively.

Many of the indices for individual sectors of industry showed smaller increases in May than in the previous two months reflecting the slower depreciation of the pound. This effect was particularly noticeable in the index for the non-ferrous metals industry which rose by 3 per cent on provisional figures for May following increases of 11¼ per cent and 6½ per cent in April and March respectively. Further price rises for many imported metals were again responsible.

The index for the steel industries rose by only ½ per cent in May with a small decrease in the price of scrap, following several large rises recently, partly offsetting increases for other materials.

Higher prices for a range of imported materials were responsible for the rise of ¾ per cent in the index for materials purchased by the food manufacturing industries. Price rises for home produced cereals were more than offset by lower prices for home produced potatoes and milk for liquid consumption.

Further information

Correspondence about wholesale price index numbers should be addressed to Statistics Division 4, Room 610, Sanctuary Buildings, Great Smith Street, London SW1P 3DB. Telephone inquiries for price index numbers should be made to 01-215 3544 (Tables 1 and 2 indices), 3549 (engineering), 5216 (chemicals, steel, building materials, etc.), 3548 (textiles, clothing, timber, paper, etc.), 3173 (imported commodities).

Notes on wholesale price indices

1 Detailed notes on index numbers of wholesale prices were last shown in *Trade and Industry* of 9 April 1976.

2 The index numbers are constructed on a net sector basis. This is to say, the price movements used to compile the index for a particular sector of industry are only those relating to transactions between the sector and other sectors. Transactions between undertakings in the same sector are excluded. Thus index numbers for the whole of manufacturing industry are not weighted averages of sector index numbers.

3 All the index numbers are compiled exclusive of value added tax and (before its abolition) of purchase tax. Revenue duties (on cigarettes and manufactured tobacco, alcoholic liquor, matches and mechanical lighters) are included. The duty on hydrocarbon oils is excluded from output price series that cover these products (unless specifically noted to the contrary) but is included in series for materials and fuel purchased by sectors of industry.

4 Firm indices, at all levels of aggregation, include imputation for items for which there is no current price information. Provisional indices at high levels of aggregation, Table 1 and Table 2, also include imputation for items for which there is no current price information. Additional provisional figures will be published for those indices where there are insufficient returns to allow accurate imputation.

5 Revisions to firm index numbers will only be published if the revised indices are significantly different. These revisions will only be notified in the full version of the wholesale price index articles; ie those published in April, August and December of each year.

TABLE 1 Price index numbers of materials purchased

1970 = 100

1968 SIC		1975				1976	1975				1976				
		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	May	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. p	May p
Orders III to XIX	Materials and fuel purchased by manufacturing industry:	220.9	225.6	239.3	256.0	266.1	226.2	252.2	256.7	259.0	261.0	263.5	273.8	285.1	290.7
	Materials†	225.9	228.7	243.4	261.2	272.0	228.8	257.2	262.0	264.5	266.6	269.4	279.9	290.8	297.0
	Coal (except for carbonising), gas and electricity	173.3	195.8	200.5	205.2	210.1	200.9	204.4	205.3	205.8	206.9	207.5	215.8	230.4	230.7
Orders IV to XIX	Materials and fuel purchased by manufacturing industry, other than food, drink and tobacco manufacturing industries	237.5	244.3	255.4	269.7	280.3	245.6	267.6	269.4	272.2	273.8	276.8	290.2	305.1	312.2
	Materials†	246.5	251.3	263.3	278.9	290.3	252.0	276.6	278.5	281.7	283.3	286.7	300.8	315.7	323.9
Order III	Materials and fuel purchased by the food, drink and tobacco manufacturing industries	187.4	191.5	206.2	224.1	234.3	191.7	217.5	225.0	229.7	232.2	233.4	237.3	242.7	244.3
	Materials and fuels purchased by selected broad sectors of industry														
211 to 229	Food manufacturing industries	186.7	187.7	205.2	226.6	235.9	186.7	219.1	229.5	231.1	234.0	235.2	238.6	241.6	243.3
	Materials†	186.3	186.9	204.9	226.9	236.1	185.7	219.3	230.2	231.2	234.2	235.5	238.7	241.4	243.1
	Fuel	195.9	208.6	210.9	217.8	230.9	211.4	212.8	213.2	227.5	228.9	229.3	234.4	246.6	248.6
211 to 229 (excluding MLH 219)	Food manufacturing industries (excluding animal and poultry foods)	184.1	186.5	202.8	225.4	235.5	185.5	216.5	229.0	230.6	233.5	234.8	237.6	239.8	240.4
Order V	Chemicals and allied industries	230.9	233.5	241.0	250.8	258.7	234.2	248.5	249.3	254.7	255.5	257.1	263.4	272.3	275.5
311 and 312	Steel industries	210.7	225.9	230.6	237.2	247.0	226.5	234.8	236.8	240.0	241.2	243.9	255.8	277.8	279.0
321 to 323	Non-ferrous metals industry	141.8	141.3	145.9	149.1	157.3	141.0	148.2	148.8	150.2	152.3	154.7	164.8	183.3	188.7
Order VII (excluding MLH 342)	Mechanical engineering industries	197.6	206.1	211.4	217.2	226.6	206.4	214.5	217.5	219.5	223.2	226.3	230.4	240.3	244.2
Order IX	Electrical engineering industries	171.0	176.5	182.6	187.0	196.4	176.9	185.3	187.1	188.5	192.5	195.3	201.5	211.8	216.4
Order X	Shipbuilding and marine engineering industries	196.5	205.6	209.7	213.8	222.3	206.1	212.1	213.7	215.6	218.8	222.5	225.6	234.7	237.7
Order XII	Metal goods industries	217.6	220.7	224.6	227.3	234.4	221.2	224.8	227.9	229.1	229.9	233.6	239.8	253.0	256.7
Order XIII	Textile industries	189.4	198.6	204.0	214.9	232.4	200.9	210.1	213.7	221.0	227.8	231.0	238.5	247.6	253.8
Order XV	Clothing and footwear industries	176.1	179.4	184.7	189.4	197.4	179.6	187.7	189.5	190.9	194.4	197.7	200.0	205.5	207.4
461, 464 and 469	Bricks, cement, etc., industries	204.8	217.7	225.1	231.7	245.1	218.3	228.4	230.1	236.5	240.7	244.4	250.2	254.9	257.9
462 and 463	Pottery and glass industries	194.6	207.6	216.0	226.3	237.8	208.7	222.6	224.6	231.7	235.1	237.7	240.7	246.0	247.7
Order XVII	Timber industries	217.4	217.2	217.0	220.2	235.2	217.4	218.9	219.4	222.4	229.0	235.1	241.4	247.4	259.2
481 to 484	Paper industries	231.8	240.1	243.5	248.9	253.5	240.4	246.7	248.3	251.6	250.7	251.4	258.4	266.9	270.5
Order XX	Construction materials	194.7	203.4	209.5	215.4	227.2	203.6	213.1	215.4	217.6	222.9	227.8	230.9	234.9	241.4
Part of Order XX	House building materials	196.5	205.0	211.2	217.2	229.2	205.5	215.3	217.2	219.0	224.8	229.7	233.0	236.8	244.2

† Includes crude oil and coal for carbonising.

TABLE 1(a) Price index numbers of materials and fuel purchased by selected sectors of industry

1970 = 100

1968 SIC		1975				1976	1975				1976				
		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	May	Oct.	Nov	Dec.	Jan.	Feb.	Mar.	Apr. p	May p
361	Electrical machinery industry	184.4	191.6	196.7	201.5	211.5	192.0	199.6	201.6	203.2	207.9	210.8	215.9	225.6	229.4
362	Insulated wires and cables industry	131.6	134.5	139.9	143.4	152.1	134.5	142.7	143.6	143.7	147.5	150.0	158.8	169.7	175.3
364	Radio and electronic components industry	184.3	190.8	196.3	201.8	209.7	190.0	200.0	201.8	203.7	206.7	209.8	212.6	219.7	224.0
368	Domestic appliances industry	182.4	188.1	191.2	195.8	205.3	187.5	194.2	195.8	197.4	201.8	205.1	208.9	217.4	221.4
369	Electrical goods industries n.e.s.	180.6	183.7	187.7	192.6	200.7	182.8	191.2	192.8	193.9	197.1	200.3	204.7	214.3	219.2
381	Motor vehicle industry	198.2	207.0	212.3	219.1	229.6	206.9	217.0	219.1	221.3	225.6	229.2	234.0	241.5	246.2
411	Man-made fibres industry	197.3	207.7	212.1	221.7	231.1	208.5	220.0	221.4	223.7	226.1	231.0	236.1	244.2	248.3
414	Woollen and worsted industry	187.3	200.7	207.9	230.8	255.2	204.6	219.7	230.4	242.4	249.9	251.2	264.5	274.7	281.0
422/1	Household textiles and handkerchiefs industry	189.1	190.9	194.1	198.6	210.1	191.4	195.4	198.6	202.0	207.8	210.1	212.5	216.0	218.9
450	Footwear industry	174.3	177.3	184.0	189.1	198.3	177.3	187.1	189.1	191.3	194.6	199.4	200.8	211.8	214.3
481	Paper and board making industry	236.5	246.2	251.3	258.2	262.8	246.4	256.9	257.3	261.3	259.6	260.2	268.7	278.7	282.7

CHART 1 (LOG SCALE)

MANUFACTURING INDUSTRY
(other than food, drink & tobacco)
the latest two months are provisional

CHART 2 (LOG SCALE)

FOOD MANUFACTURING INDUSTRY
the latest two months are provisional

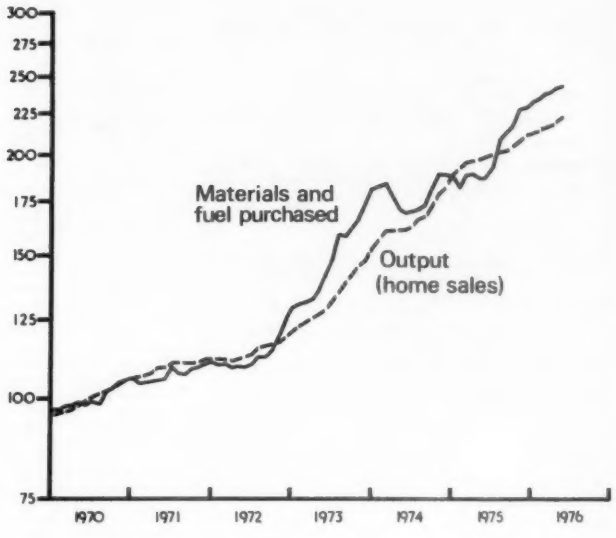

TABLE 2 Price index numbers of output (home sales)

1970 = 100

1968 SIC		1975				1976	1975				1976				
		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	May	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. p	May p
Orders III to XIX	Output of manufactured products	176.0	186.3	193.4	199.1	206.9	187.3	197.0	198.9	201.5	204.8	207.3	208.6	211.4	214.6
Orders IV to XIX	Products of manufacturing industry other than food, drink and tobacco manufacturing industries	182.8	192.1	199.1	205.4	214.5	192.0	203.4	205.1	207.8	211.9	215.0	216.6	219.2	222.2
	Output of selected broad sectors of industry														
211 to 229	Food manufacturing industries	192.5	197.4	201.3	208.0	215.2	197.5	204.3	208.1	211.6	213.6	215.3	216.6	219.3	222.1
211 to 229 (excluding MLH 219)	Food manufacturing industries (excluding animal and poultry foods)	190.7	198.7	203.0	208.2	215.5	198.8	204.5	208.3	211.8	214.0	215.6	217.0	218.7	220.5
Order V	Chemicals and allied industries	177.4	186.2	192.8	198.2	206.5	186.8	196.8	198.1	199.7	203.8	207.3	208.5	210.3	212.7
Order VI	Metal manufacturing	195.5	202.2	206.0	209.5	217.7	202.1	207.6	209.9	210.9	214.2	217.8	221.1	233.9	238.8
311 and 312	Steel industries	220.3	227.6	227.8	231.0	237.3	227.7	229.2	231.5	232.2	234.4	238.2	239.4	255.3	259.1
Orders VII to XII	Engineering and allied industries	177.2	187.6	195.3	201.8	209.9	187.4	200.3	202.0	203.0	207.0	210.6	212.1	214.8	218.6
Order VII (excluding MLH 342)	Mechanical engineering	182.3	193.0	202.1	209.3	218.6	193.0	207.4	209.6	210.8	216.0	219.2	220.6	223.7	226.5
Order VIII	Instrument engineering	152.1	162.8	171.2	176.3	184.9	162.6	174.8	175.5	177.6	183.6	184.2	187.0	190.5	191.0
Order IX	Electrical engineering	161.2	170.9	177.2	183.6	191.5	171.4	182.2	183.8	184.9	188.7	192.0	193.7	195.4	198.2
Order XI	Vehicles	192.1	204.6	212.9	219.9	227.7	203.7	218.8	220.3	220.6	223.5	229.5	230.0	232.0	238.4
Order XII	Metal goods industries n.e.s.	185.2	193.8	200.3	207.8	215.7	193.7	205.5	208.2	209.6	213.4	215.3	218.3	223.6	228.7
Order XIII	Textile industries	172.9	175.7	180.7	185.1	193.0	175.8	183.8	185.0	186.6	190.5	193.4	195.2	197.9	200.7
Order XV	Clothing and footwear	156.8	160.9	166.0	170.7	176.6	161.2	169.2	171.2	171.7	175.4	176.0	178.3	179.0	179.4
441/449	Made-up clothing	153.0	156.9	162.4	167.1	172.6	157.2	166.0	167.5	167.7	171.3	172.1	174.5	174.9	175.2
461, 464 and 469	Bricks, cement, etc., industries	183.9	198.3	209.3	218.8	231.5	198.9	216.0	219.3	221.1	227.0	232.7	234.9	235.8	242.6
462 and 463	Pottery and glass industries	176.8	191.0	202.3	210.2	215.4	192.8	207.8	211.2	211.6	213.0	215.9	217.2	221.0	223.1
Order XVII	Timber industries	194.8	201.7	207.9	210.9	218.7	201.8	210.4	210.7	211.7	216.1	218.9	221.2	222.9	225.7
481 and 484	Paper industries	209.4	218.6	227.2	233.8	235.4	218.2	232.9	233.9	234.7	234.9	235.3	235.9	239.4	242.9
Order XX	New construction‡	210	220	228	236	238 p				236			238 p		

‡ Index of building costs relate to average for the quarter (*Department of Environment*)

TABLE 3(a) Commodities produced in the United Kingdom (as published monthly)

1970 = 100

1968 SIC		1975	1976			
		May	Feb.	Mar.	Apr. p	May p
101	Coal	299.9	307.3	344.5	350.2	350.2
102/1	Coated limestone roadstone	243.2	293.1	295.1	295.8	309.2
	Aggregates for concrete	179.5	201.2	201.2	204.2	214.4
103	Sand and gravel – ex pit or works	177.6	208.2	208.2	210.2	230.3
240	Tobacco	150.3	156.0	156.0	156.0	162.9
262	Motor spirit, Two star (including duty)●	172.4	183.5	183.5	200.8	208.2
	Medium fuel oil (950 secs – including duty)●	294.0	346.4	346.4	346.4	346.4
	Derv fuel (including duty)●	149.1	167.9	167.9	185.3	192.8
263	Lubricating oils and greases	205.1	238.8	233.5	238.9	239.9
271	General chemicals	200.5	225.3	226.7 p	231.2	237.2
271/1	Inorganic chemicals	194.6	224.1	225.3	230.1	236.8
271/2	Organic chemicals	221.0	250.2	252.3 p	257.1	262.2
272/1	Pharmaceutical chemicals	178.5	189.1	188.2	194.4	203.8
272/2	Pharmaceutical preparations	153.5	180.3	181.5	183.9	185.0
273	Toilet preparations	158.7	181.7	184.0	185.0	186.6
274	Paint	202.2	220.6	220.9	221.5	222.0
276/1	Synthetic resins and plastics materials	181.5	195.7	198.6 p	201.2	203.7
	Polyolefin moulding materials	187.0	220.0	210.2 p	209.9	212.8
	Polyvinyl chlorides	191.4	207.5	222.0 p	222.8	225.1
279/3	Explosives, fireworks, etc.	191.7	241.1	241.1	241.1	243.5
311/2	Uncoated steel sheets (other than stainless and electrical sheets)	220.8	202.1	202.1	242.4	248.7
	Tinplate	216.9	233 4	238.5	241.4	241.7
	Finished steel (other than sheets, tinplates, forgings and castings)	231.5	244.3	244.5	258.1	260.7
	Steel plates (non-alloy)	253.3	254.3	254.3	262.0	262.0
	Steel sheet piling	241.2	265.8	265.8	266.2	269.0
	Heavy steel bars and sections	237.6	264.3	264.3	264.5	266.7
	Light re-rolled bars and sections	230.0	238.6	238.6	261.7	264.2
	Finished stainless steels	183.9	186.4	186.4	199.8	203.3
	Steel castings	204.7	229.6	229.6	238.1	238.6
	Forgings (other than drop forgings)	250.8	292.8	315.3	320.4	334.5
312	Steel tubes – other than electric conduit tubes	249.3	261.4	261.4	276.2	285.4
313/3 and 313/4	Iron castings	225.7	256.6	258.8	262.7	263.9
	Cast and spun iron pipes and fittings	237.8	282.4	286.0	286.0	286.0
321	Wrought aluminium	168.6	195.7	198.2	203.2	214.9
	Aluminium: Rolled	162.0	187.0	187.0	191.8	207.2
	Extruded and drawn aluminium products – other than wire	160.9	194.6	194.6	199.6	214.4
	Aluminium: Castings	188.2	209.2	216.8	224.4	236.1
	Aluminium: Forgings	160.5	185.0	190.6	190.6	190.6
322	Brass ingots	116.5	123.6	138.6	164.9	164.9
331	Agricultural machinery	196.7	221.3	222.9	225.9	226.8
332	Metal-working machine tools	209.4	236.0	237.3 p	241.1	244.1
333	Pumps, valves, compressors, fluid power equipment	192.5	218.4	220.8	223.4	225.1
336	Construction and earth-moving equipment	183.9	221.2	222.5 p	224.4	226.5
368	Domestic electrical appliances	157.7	174.0	174.5	176.4	179.2
381/1	Passenger cars‡	181.4	203.1	203.1	205.0	211.2
381/2	Commercial and public service vehicles	212.5	242.1	242.2	243.9	251.6
	Commercial vehicles not exceeding 1½ tons gross vehicle weight	211.5	244.5	244.5	246.8	255.6
	Commercial vehicles and chassis over 1½ tons gross vehicle weight	212.5	241.1	241.3	242.8	250.4
	Public service vehicles	214.7	243.4	243.4	244.7	250.2
390	Engineers' cutting tools and parts: non-diamond	159.0	187.5	187.5	192.7	196.8
	Hacksaw blades	160.7	172.0	185.9	191.5	197.3
	Engineers' cutting tools: diamond	148.3	159.5	162.7	162.7	166.5
	Engineers' cutting tools	158.4	184.8	185.8	190.6	194.8
391	Hand tools and implements	200.7	221.4	226.5	232.0	237.5
392	Cutlery and tableware	187.4	206.3	209.0	216.9	217.7
399/1	Metal furniture, office and works equipment	181.6	197.1	197.2	198.7	202.1
399/12	Plumbers brassware	159.2	179.7	181.9	187.3	191.6
411	Man-made fibres production	152.3	166.7	167.4	171.2	173.2
412, 414/5 and 415	All spun man-made fibres yarns	167.9	182.2	183.9	189.2	191.8
412	Cotton yarns, cotton-spun man-made fibres yarns and mixtures of both	184.7	210.5	215.2	224.0	226.7
413	Woven cotton cloth in the loomstate	191.2	204.9	208.2	211.7	214.9
	Man-made fibres fabrics in the loomstate	189.4	207.0	207.5	207.6	211.0
414/2	Yarns of wool spun on the worsted system	189.6	209.9	215.5	222.6	227.6
417	Hosiery and other knitted goods	150.8	162.6	163.9	165.8	166.9
419	Carpets and rugs	170.4	201.1	201.7	202.0	205.9
429/1	Asbestos manufactures	167.4	193.0	193.0	197.4	197.4
431/1	Leather for footwear	155.5	183.1	183.1	200.8	202.1
450	Footwear – including rubber footwear	170.9	185.4	187.6	188.4	188.8
461/1	Refractory goods including bricks	212.0	234.7	236.4	236.4	249.6
461/2	Non-refractory goods, including building bricks	202.3	233.7	240.4	242.2	245.5
	Engineering bricks – *delivered*	231.7	280.2	280.2	280.2	280.2
463/1	Flat glass (including safety and silvered glass)	187.9	218.7	218.6	218.6	220.2
	Glazing sheet and plate glass	160.8	197.8	197.8	197.8	197.8
463/2	Glass containers	202.1	219.7	220.0	225.1	230.1
464	Cement – *delivered in bulk*	202.4	243.4	243.4	243.4	249.9
469/2	Precast concrete products	190.1	223.9	225.8	227.3	230.7
	Precast concrete pipes – *delivered*	206.2	258.7	263.9	263.9	263.9
	Precast concrete manholes – *delivered*	174.4	207.6	212.8	212.8	212.8
	Plaster – gypsum	199.5	212.0	212.1	212.1	227.1
471/1	Homegrown hardwood – sawn	222.5	230.5	230.1	233.4	235.1
471/2	Building joinery	225.2	240.8	246 8	250.0	256.6
472	Domestic furniture	182.4	201.4 r	202.0	203.1	203.2
473	Bedding, etc.	195.1	223.0	222.9	225.0	225.0

TABLE 3(a) *(continued)*

1968 SIC		1975 May	1976 Feb.	Mar.	Apr. p	May p
481	Paper and board	216.7	226.4	226.7	233.4	237.9
	Printings and writings – excluding newsprint	211.7	217.0	217.3	227.6	232.0
482/1	Cardboard boxes, cartons and fibreboard packing cases	214.3	237.2	237.5	239.4	244.0
483	Manufactured stationery	214.9	236.3	236.8	238.0	242.2
484/1	Wallpaper	214.1	225.1	225.1	225.1	225.1
489	General printing, bookbinding etc.	179.0	200.9	202.2	203.3	206.6
491/1	Rubber tyres and tubes	176.8	190.5	191.4	191.6	191.8
492	Linoleum and felt base	177.1	202.2	202.2	202.4	209.5
Part 399/472	Office furniture	207.6	225.1	226.8	228.2	230.6
Part 338/399/472	Office equipment and machinery	172.2	183.4	185.0	187.1	188.5

● Index based on scheduled outer zone prices for minimum bulk loads of 500 gallon (motor spirit 1,000 gallons) exclusive of rebates. p = provisional.
‡ Inclusive of purchase tax (before its abolition), VAT and Car Tax.

TABLE 3(b) Commodities wholly or mainly imported into the United Kingdom

	1975 May	1976 Feb.	Mar.	Apr. p	May p
Hides and skins	151.4	246.0	283.0	307.7	318.2
Non-ferrous metals:					
Aluminium, virgin ingot delivered	151.7	164.1	164.1	173.0	178.2
Copper‡	91.4	101.9	116.2	138.6	141.3
Lead‡	143.7	135.7	155.5	194.2	210.3
Nickel§	154.7	202.0	201.4	201.6	210.0
Tin, ingot min. 99.75%‡	194.0	209.2	232.6	251.4	269.2
Zinc‡	261.2	276.2	304.9	346.9	346.8
Zinc§	281.4	307.0	319.4	336.4	343.2
Natural rubber	144.4	211.1	228.0	240.1	256.6
Sulphur, crude cif (for acid making)	262.0	297.1	297.1	297.1	297.1
Textiles:					
Raw cotton, all types	190.9	261.2	273.4	291.5	311.6
American types, cif Liverpool	193.6	270.2	283.0	299.1	321.6
Egyptian types, cif Liverpool	177.4	216.3	225.5	253.7	261.8
Raw wool – all types	209.5	246.9	263.0	276.1	288.4
Imported	214.2	245.6	262.0	273.0	284.9
Imported, merino	220.8	230.4	243.4	244.6	263.2
Imported, fine crossbred	207.3	248.3	258.1	278.5	284.1
Imported, medium and coarse crossbred	227.6	297.7	328.2	351.7	356.9
British types	183.0	254.2	268.5	293.4	307.9
Timber:					
Imported hardwood (ex-yard or wharf)	224.2	254.4	261.8	269.0	287.1
Imported plywood (delivered to consumers)	223.7	234.0	241.2	247.3	253.2
Imported softwood (delivered to consumers)	240.3	253.8	264.7	271.8	294.5
Woodpulp, imported	283.3	295.1	306.9	323.1	329.6

‡ LME settlement price. § Producer's price. p = provisional.

TABLE 5 United Nations index numbers of world export prices(1)

1970 = 100

	Primary commodities: Total $	£	Purchasers' currencies	Agricultural non-food $	£	Purchasers' currencies	Non-ferrous metals $	£	Purchasers' currencies	Primary commodities and non-ferrous metals (2) $	£	Purchasers' currencies
1973 1st quarter	152	150	138	162	161	147	97	96	88	144	143	131
2nd quarter	171	162	148	192	182	166	113	107	98	163	154	141
3rd quarter	189	183	156	214	207	177	131	127	108	181	175	150
4th quarter	215	217	184	216	217	185	144	145	123	206	207	176
1974 1st quarter	303	318	274	232	244	209	160	168	144	284	298	256
2nd quarter	304	304	263	229	229	198	183	183	159	288	287	249
3rd quarter	307	313	272	221	225	196	142	145	126	285	290	253
4th quarter	318	327	279	212	218	186	126	130	111	292	300	256
1975 1st quarter	312	312	261	201	201	168	124	124	104	287	287	240
2nd quarter	299	308	250	198	204	166	120	124	101	275	283	230
3rd quarter	297	334	263	196	221	173	118	133	105	273	307	241
4th quarter	304	356	274	190	223	171	116	136	104	279	327	251
1976 1st quarter (3)	307	368	280	194	233	177	121	145	110	282	338	257
April (4)	314	408	291	203	264	189	134	174	124	290	376	269
May (4)	318	421	296	210	278	195	135	179	126	293	389	273

(1) Published by the UN in terms of US dollars. For convenience the index numbers are also shown in sterling and in terms of purchasers' currencies by converting the dollar index at prevailing exchange rates. (2) This combined index is not published as such by the UN. (3) Provisional. (4) Projections by Department of Industry.

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Engineering sales and orders (SIC Orders VII, VIII and IX) up to March

Provisional trend estimates and seasonally adjusted volume index numbers of engineering sales and orders to March indicate that while total sales have been steady, the moderately improved inflow of new orders has been maintained. Home net new orders in the first quarter of this year have shown some recovery from the trough in the last quarter of 1975, while overseas orders have remained weak. In

Index numbers for the combined engineering industries (SIC Orders VII, VIII and IX) (a)

Volume index numbers: Orders-on-hand. December 1970 unadjusted = 100 Net new orders and sales, 1970 average monthly sales = 100

	Total			Home			Export		
	Orders-on-hand (end of period)	Net new orders	Sales	Orders-on-hand (end of period)	Net new orders	Sales	Orders-on-hand (end of period)	Net new orders	Sales
Trend estimates									
1974 April	137	115	110	134	108	111	145	131	110
May	138	113	112	133	108	112	147	126	112
June	137	112	113	132	109	112	147	120	114
July	137	110	113	132	108	112	147	114	116
August	136	107	113	131	106	112	146	108	117
September	134	103	113	129	103	112	144	104	117
October	133	100	113	128	99	111	142	101	118
November	130	96	113	125	95	111	140	99	118
December	128	93	113	123	92	111	137	96	118
1975 January	125	92	113	120	91	110	135	95	118
February	122	91	112	117	90	110	132	94	117
March	119	92	111	114	90	109	129	95	117
April	117	92	110	112	90	107	127	97	116
May	115	92	109	109	89	106	125	100	116
June	112	92	108	107	88	104	123	102	115
July	110	91	107	104	86	104	122	103	115
August	108	90	106	102	85	103	120	101	114
September	105	88	106	99	84	102	118	99	113
October	103	87	105	96	83	102	116	96	113
November	101	87	104	94	84	100	114	95	112
December	99	88	103	92	85	99	112	94	113
1976 January	97	89	103	90	87	98	110	94	113
February	95	90	102	89	89	98	108	95	114
March	94	92	102	88	90	97	106	97	115
Percentage change (b)									
Dec. 1975-Mar. 1976	−4.5	5.5	−1.0	−4.5	6.5	−2.5	−5.0	3.0	1.5
Seasonally adjusted									
1969	**101**	**100**	**97**	**102**	**99**	**99**	**100**	**102**	**91**
1970	**100**	**99**	100	100	**99**	100	**100**	**100**	100
1971	**93**	97	101	**95**	98	101	**89**	**93**	102
1972	**99**	**103**	101	103	108	105	**90**	91	92
1973	**133**	**134**	113	134	136	117	**131**	**131**	102
1974	128	109	111	123	105	111	139	118	113
1975	99	90	108	91	87	105	113	98	115
1974 1st quarter	**136**	**117**	**108**	**133**	**109**	**110**	**142**	**135**	**105**
2nd quarter	138	117	112	133	112	111	148	128	113
3rd quarter	134	106	114	130	106	112	144	105	117
4th quarter	128	97	112	123	94	110	139	104	117
1975 1st quarter	119	89	112	114	89	110	128	89	118
2nd quarter	113	95	109	108	92	106	124	102	115
3rd quarter	106	90	107	100	86	103	118	101	114
4th quarter	99	86	104	91	80	100	113	98	112
1976 1st quarter	94	92	103	88	91	98	105	93	115
1974 October	133	102	113	128	98	110	142	110	119
November	131	94	112	126	95	110	140	94	115
December	128	94	112	123	88	109	139	108	118
1975 January	124	86	114	119	85	112	135	88	119
February	122	97	113	117	98	111	132	95	118
March	119	85	110	114	85	108	128	85	117
April	116	94	112	111	94	111	126	95	115
May	115	100	107	110	94	104	126	114	115
June	113	90	106	108	86	103	124	98	115
July	109	84	109	104	77	105	121	99	120
August	108	93	102	102	84	99	121	115	110
September	106	94	109	100	96	107	118	88	113
October	103	84	107	96	79	105	116	96	112
November	100	85	103	94	84	99	113	89	114
December	99	88	101	91	79	97	113	109	111
1976 January	96	83	103	90	85	98	109	80	114
February	95	96	102	89	95	97	107	97	114
March	94	95	104	88	93	99	105	101	117
Oct.-Dec. 1975 (av.)	99	86	104	91	80	100	113	98	112
Jan.-Mar. 1976 (av.)	94	92	103	88	91	98	105	93	115
Percentage change (b)	−4.5	7.0	−1.0	−3.5	13.0	−2.0	−7.0	−5.5	2.0

(a) All figures are provisional.

(b) For orders on hand, the percentage changes compare the level at the end of the latest period shown with the corresponding level for the earlier period. The percentage changes have been based on the unrounded values and are given to the nearest half percentage point.

contrast, home sales continued to decline in the first quarter of this year, while export sales have improved a little. Both home and overseas order books have continued to shorten as the inflow of new contracts, despite some improvement, has remained well below the level of sales.

In the home market there are as yet only tentative signs of an upturn in ordering by British industry. The trend of net new orders increased by 6½ per cent in the first three months of this year but this growth stems entirely from sharply higher levels of new home orders in February and March and the improvement needs to be continued with further increases in later months before the recovery is confirmed. The volume of home sales has continued to decline, by a further 2½ per cent in the latest three months, but still remained higher than the inflow of new orders. Home order books consequently continued to shorten and at the end of March were 3½ per cent lower, on a seasonally adjusted basis, than at the end of last year.

The trend in the volume of export sales increased, by 1½ per cent, between December and March, and remained at a relatively high level, compared with deliveries to the home market which have decreased markedly over the past year. As the trend of net new export orders has held steady but rather low in recent months, overseas sales of engineering goods have been maintained by working through order books, which fell in consequence by 7 per cent during the first quarter of this year.

Following from the declining volume of home sales, total sales fell 1 per cent in the first three months of this year. The trend of total net new orders increased by 5½ per cent during this period, but remained below the level of sales. This was reflected in total orders outstanding which continued to decrease and at the end of March these were 4½ per cent lower than at the end of last year.

The revised figures published in this table are based on the Monthly Engineering Inquiry relating to March 1976. The response rate of 78 per cent to the inquiry for March, is judged sufficient to justify publication of provisional indices for this month. Taking into account late returns now received for December, January and February response rates for these months were 90, 89 and 85 per cent respectively.

When using the volume index numbers and trends shown in the accompanying table, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the values of engineering sales and orders to constant prices become more acute. Because of these difficulties the relative accuracy of the volume estimates is likely to have been reduced in recent months and studies are currently in hand to ascertain the possible directions and magnitudes of any biasses, which may lead to revisions in due course.

An expanded commentary, together with additional tables, is given in Business Monitor PM 33-36, Engineering (volume indices of sales and orders), obtainable from HMSO, PO Box 569, London SE1 9NH, post free for a subscription of £2.22 per annum. Separate commentaries and volume indices are given for sales, orders-on-hand and net new orders for total, home and export markets, for mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX respectively).

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PQ 349.1	Ball, roller, plain and other bearings for first quarter 1976

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Monthly

SD 1	Food shops for April 1976
SD 2	Clothing and footwear for April 1976
SD 3	Durable goods shops for April 1976
SD 4	Miscellaneous non-food shops for April 1976
SD 5	Catering trades for April 1976
SD 6	Instalment credit business of finance houses for April 1976
SD 8	Instalment credit business of retailers for April 1976

Miscellaneous series

M 4	Overseas transactions for 1974
M 6	Overseas travel and tourism for 1975

Business Monitors in the Production series and Miscellaneous series, and certain Monitors (Nos. SD 1 to SD 9) in the Service and Distributive series, are normally available by annual subscription from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Copies of specific issues (including back issues) can be ordered by post (payable in advance) from the Library at the Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG (tel. 0633-56111, ext. 2973; telex 497121/497122 – Answer back BSO Newport), from which a complete list of the titles of Business Monitors is available on application. Back issues of the monthly and quarterly Monitors cost 30p a copy post free. The annual Monitors are individually priced and the cost of these will be supplied on request. Exceptionally, copies can also be purchased over the counter at the Department's Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4M 7HU.

The Annual Census of Production Reports (the PA series of Monitors), and the 1971 Census of Distribution Reports (which are being published as Monitors SD 10 to SD 23, though not all are yet available) can be obtained on standing order from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH, or can be purchased separately from the Government bookshops or through booksellers.

'Economic Progress Report' for June

The Treasury's latest monthly economic assessment, published (on page 3) in the June issue of *Economic Progress Report*, shows that the revival of the UK economy is being led by exports.

Exports of goods represented over 20 per cent of gross domestic product last year, and the 10 per cent rise in the volume of exports between the third quarter of 1975 and the first quarter of this year has been the most significant factor in the incipient recovery of the UK economy. In April the momentum was maintained and the annual rate of growth in the first four months of this year was more than 13 per cent. The stimulus of this higher export demand has not yet been offset by a similar increase in imports, which until April had generally been falling.

A centre-page spread (on pages 4 and 5) presents in summary form a selection of policy developments and other economic measures taken by the Government since the last General Election in October 1974. It is hoped that this will serve as a useful guide to new measures which have been taken, and to their place in the context of the Government's main objectives, such as the fight against unemployment, inflation and the strengthening of British industry.

A table on the front page shows the combined effect on the net income of particular households of the new pay limits which the General Council of the TUC are recommending and the full income tax reliefs proposed by the Chancellor.

A short note on page 2 describes the new unit of account which has been introduced for use by certain EEC institutions.

The 12 charts on the back page give a broad view of the movements of some of the main economic indicators in the economy since 1974; a table containing the most recent figures is included on page 7.

Economic Progress Report, prepared by the Treasury Information Division, is published every month. It contains articles on economic subjects, analysing or giving background to Government economic policy, together with the Treasury's assessment of the economic situation and a table and charts of economic indicators.

Hosiery and other knitted goods: index of production

In the three months ended April 1976 the volume of production of hosiery and other knitted goods, seasonally adjusted (including knitted fabrics), was provisionally estimated to have been 8 per cent less than in the three months ended April 1975.

The seasonally adjusted figures for 1975 are based on the seasonal pattern up to the end of 1974 and may be subject to slight revision when the complete figures for 1975 have been incorporated. The actual figures allow for differences in the length of calendar months, but not for other seasonal variations.

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent months.

Hosiery and other knitted goods

1970 = 100

1968	88
1969	98
1970	100
1971	99
1972	100
1973	103
1974	100
1975 p	97

Including warp knitting

		Actual	Seasonally adjusted
1974	1st quarter	91	97
	2nd quarter	103	105
	3rd quarter	97	101
	4th quarter	108	96
1975	1st quarter	87	93
	2nd quarter	95	96
	3rd quarter	94	97
	4th quarter p	111	99
1976	1st quarter p	82	88
1975	February	93	98
	March	90	89
	April	89	95
	May	92	93
	June	104	100
	July	84	95
	August	87	98
	September	109	98
	October p	123	103
	November p	126	105
	December p	85	89
1976	January p	77	92
	February p	85	90
	March p	82	82
	April p	83	88

p = provisional.

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Sales in the carpet industry in April

The daily rate of manufacturers' sales by value in April 1976 at current prices was provisionally estimated to have been 12 per cent more than in April 1975, assuming 22 working days in April 1975 and 20 working days in April 1976. In the three months ended April 1976, the daily rate of manufacturers' sales was provisionally estimated to have been 8 per cent more than in the corresponding period 12 months ago, assuming 61 working days in the period ended April 1975 and 63 working days in the period ended April 1976. The index numbers, which are of manufacturers' sales by value, have been adjusted for the length of the working month, but not for non-statutory holidays or other seasonal factors. The Wholesale Price Index of carpets is shown as a guide to the movement in prices.

1970 = 100

		Index of manufacturers' sales at current prices	Wholesale price index
1969		93	96.6
1970		100	100.0
1971		115	104.9
1972		135	111.7
1973		166	130.2
1974		179	153.1
1975		202	177.8
1975	Quarter ended March	190	169.5
	Quarter ended June	194	171.2
	Quarter ended September	180	180.2
	Quarter ended December	242	190.5
1976	Quarter ended March	217	200.2 p
1975	January	165	167.9
	February	189	170.2
	March	220	170.3
	April	187	170.4
1976	January	214	197.7
	February	210	201.1
	March	226	201.7
	April	209	202.0 p

p = provisional.

Economic Trends

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HMSO BOOKS

Symbols used in all statistical tables

.. not available	r revised
— nil or less than half the final digit shown	* five week period
p provisional	ø fifty-three week period

Motor vehicle output in May

Production of cars in the four weeks ending 22 May of 127,243 units (31,811 per week), was 76 per cent above the level in May 1975, a month in which production was seriously affected by industrial disputes. In the five months to May 1976 car production was 3 per cent higher than in the same period last year. Production for export rose by 6 per cent and that for the home market by 1 per cent.

Production of commercial vehicles at 34,368 units (weekly average 8,592) was 8 per cent higher than in May last year. Production in the first five months of 1976 was 9 per cent lower than in the corresponding period of 1975 production for the home market falling 21 per cent while production for export rose by 5 per cent.

(The summaries which follow are based on the seasonally adjusted figures in Table 2.)

Cars

May passenger car production of 122,000 units was 16 per cent above the monthly average for 1975. Output in the three months March to May increased by 4 per cent compared with the preceeding three months; within the total, home market production increased by 8 per cent while production for export fell by 1 per cent.

Commercial vehicles

Production of commercial vehicles of 32,400 units was 2 per cent above the average monthly level in 1975. In the period March to May output rose by 2 per cent, compared with the preceeding three months. Output for the home market rose by 12 per cent and for export fell by 5 per cent.

TABLE 2 Production – seasonally adjusted

The seasonally adjusted series has been adjusted to exclude the effect of regularly recurring influences (eg holidays) but the figures still reflect the effect of factors that do not recur regularly (eg strikes).

Care should be taken not to interpret changes between one month and another as necessarily indicating the underlying trend. The averages in the latest three months and the previous three months gave a more reliable guide to recent changes.

MONTHLY AVERAGE — Thousands

	Passenger cars			Commercial vehicles		
	For home market	For export	Total	For home market	For export	Total
1968	84	67	151	21.6	12.5	34.1
1969	74	69	143	22.7	16.1	38.8
1970	77	60	137	22.3	15.8	38.1
1971	86	59	145	22.3	15.7	38.0
1972	109	51	160	22.7	11.3	34.0
1973	95	50	145	21.5	13.2	34.7
1974	78	50	128	19.3	14.2	33.5
1975	61	45	106	16.1	15.5	31.6
1975 1st quarter	80	46	126	20.4	16.5	36.9
2nd quarter	47	44	91	15.6	14.6	30.2
3rd quarter	60	47	107	15.4	14.9	30.3
4th quarter	58	41	99	13.4	16.1	29.5
1976 1st quarter	69	48	117	14.8	17.0	31.8
1975 January	76	48	124	20.5	17.6	38.1
February	97	45	142	21.6	17.0	38.6
March	68	44	112	19.1	15.0	34.1
April	65	49	114	17.8	15.2	33.0
May	34	34	68	15.6	14.4	30.0
June	43	48	91	13.5	14.2	27.7
July	57	47	104	15.0	15.0	30.0
August	50	46	96	14.4	15.4	29.7
September	72	48	120	16.7	14.6	31.1
October	57	36	93	14.0	15.7	29.6
November	58	43	101	13.1	16.1	29.2
December	59	44	103	13.0	16.6	29.6
1976 January	56	41	97	12.4	17.2	29.6
February	80	54	134	16.0	17.3	33.3
March	71	50	121	15.9	16.6	32.5
April	64	40	104	14.4	15.4	29.8
May	74	48	122	15.9	16.5	32.4
Average of: Dec. 1975-Feb. 1976	65	46	111	13.8	17.0	30.8
Mar.-May 1976	70	46	116	15.4	16.1	31.5
Percentage change	+8	−1	+4	+12	−5	+2

TABLE 1 Recorded production

Production figures of road motor vehicles cover complete vehicles, chassis with engines for delivery as such and un-assembled vehicles for export. Road tractors are included but battery operated road vehicles are excluded.

Production for export may differ from actual exports as recorded in the Overseas Trade Statistics because of differences in timing and coverage.

		Passenger cars (including taxis)				Commercial road vehicles			
	No. of weeks	For home market	For export	Totals	Weekly average	For home market	For export	Totals	Weekly average
1968	52	1,013,163	802,773	1,815,936	34,922	259,331	149,855	409,186	7,869
1969	53	892,758	824,315	1,717,073	32,398	272,998	192,778	465,776	8,788
1970	52	918,109	722,857	1,640,966	31,557	267,407	190,125	457,532	8,799
1971	52	1,027,462	714,478	1,741,940	33,499	268,278	187,928	456,206	8,773
1972	52	1,307,881	613,430	1,921,311	36,948	272,649	135,470	408,119	7,848
1973	52	1,142,216	605,105	1,747,321	33,602	257,574	159,049	416,623	8,012
1974	52	937,932	596,187	1,534,119	29,502	232,373	170,193	402,566	7,742
1975	52	735,532	532,164	1,267,696	24,379	194,319	186,386	380,705	7,321
1975 1st quarter	13	242,571	139,736	382,307	29,408	61,402	46,808	108,210	8,324
2nd quarter	13	145,107	142,664	287,771	22,136	49,650	48,435	98,085	7,545
3rd quarter	13	151,830	117,925	269,755	20,750	39,136	38,724	77,860	5,989
4th quarter	13	196,024	131,839	327,863	25,220	44,131	52,419	96,550	7,427
1976 1st quarter	13	209,957	148,844	358,801	27,600	44,974	48,785	93,759	7,212
1975 January	4	79,301	46,278	125,579	31,395	19,997	14,429	34,426	8,606
February	4	84,826	43,032	127,858	31,964	19,669	15,619	35,288	8,822
March	5	78,444	50,426	128,870	25,774	21,736	16,760	38,496	7,699
April	4	57,260	48,895	106,155	26,539	16,866	14,418	31,284	7,821
May	4	35,750	36,423	72,173	18,043	15,879	16,070	31,949	7,987
June	5	52,097	57,346	109,443	21,888	16,905	17,947	34,852	6,970
July	4	39,303	32,345	71,648	17,912	10,995	12,480	23,475	5,869
August	4	40,219	38,525	78,744	19,686	10,117	10,271	20,388	5,097
September	5	72,308	47,055	119,363	23,873	18,024	15,973	33,997	6,799
October	4	60,873	36,246	97,119	24,280	14,964	16,352	31,316	7,829
November	4	65,941	46,021	111,962	27,991	13,994	16,300	30,294	7,574
December	5	69,210	49,572	118,782	23,756	15,173	19,767	34,940	6,988
1976 January	4	56,966	39,432	96,398	24,100	12,051	13,971	26,022	6,506
February	4	68,878	50,913	119,791	29,948	14,468	15,829	30,297	7,574
March	5	84,113	58,499	142,612	28,522	18,455	18,985	37,440	7,488
April	4	54,445	38,281	92,726	23,182	13,209	14,019	27,228	6,807
May	4	76,074	51,169	127,243	31,811	16,122	18,246	34,368	8,592

Release dates of economic statistics to be published in July

This notice is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the dates of publication of major economic series in July. The dates are those which departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further inquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
July			
1 Thurs.	Unemployment (May-final)	Gazette	Department of Employment
	Employment in production industries (April)		
	Overtime and short-time working in manufacturing industries (April)		
	Stoppages of work due to industrial disputes (May)		
	Capital expenditure by the manufacturing, distributive and service industries (1st qtr.-rev.)	PN	Department of Industry
	Manufacturers' and distributors' stocks (1st qtr. – rev.)	PN	Department of Industry
	Energy Trends	PN	Department of Energy
2 Fri.	United Kingdom official reserves (June)	PN	HM Treasury
	Capital issues and redemptions (during month of June)	PN	Bank of England
5 Mon.	CBI monthly trends inquiry (June)	PN	CBI
	Hire purchase and other instalment credit business (May)	PN	Department of Industry
	Retail sales (May – final)	PN	Department of Industry
6 Tues.	Provisional figures of vehicle production and estimates of new car registrations (June – prov.)	PN	Department of Industry
7 Wed.	London clearing banks' monthly statement (mid-June)	PN	CLCB
	UK banks' eligible liabilities, reserve assets and special deposits (mid-June)	PN	Bank of England
9 Fri.	Central Government financial transactions (including borrowing requirement) (June)	PN	HM Treasury
	Personal income, expenditure and savings (1st qtr) ; gross domestic product (1st qtr. – rev.)	PN	CSO
12 Mon.	Index of industrial production (May)	PN	CSO
	Turnover of the catering trades (May)	PN	Department of Industry
	Wholesale price index numbers (June)	PN	Department of Industry
14 Wed.	Balance of payments current account and overseas trade figures (June)	PN	Department of Trade/CSO
	Building Societies' receipts and loans (June)	PN	BSA
16 Fri.	Retail prices index (June)	PN	Department of Employment

PN = Press Notice.

Publication date	Series	Method of release	Source
	Appropriation account of companies (1st qtr.)	PN	CSO
	Net acquisition of financial assets – analysis by sector (1st qtr.)		
	Financial accounts of industrial and commercial company and personal sectors (1st qtr.)		
	Usable steel production (June)	PN	BSC/BISPA
19 Mon.	UK banks assets and liabilities and the money stock (mid-June)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-June)	PN	Bank of England
	Basic rates of wages and normal weekly hours (June)	PN	Department of Employment
	Monthly index of average earnings (May)		
	Retail sales (June – prov.)	PN	Department of Industry
20 Tues.	Unemployment (July – prov.)	PN	Department of Employment
	Unfilled vacancies (July – prov.)		
22 Thurs.	Consumers' expenditure (1st preliminary estimate) (2nd qtr.)	PN	CSO
	Car and commercial vehicle production (June – final)	PN	Department of Industry
	New vehicle registrations (June)	PN	Department of the Environment
23 Fri.	Sales and orders in the engineering industries (April)	Trade and Industry	Department of Industry
25 Sun.	National Savings monthly progress report (June)	PN	National Savings Committee
27 Tues.	Construction – new orders (May)	PN	Department of the Environment
	Slum clearance (2nd qtr – prov.)	PN	Department of the Environment
	Housing starts and completions (June – prov)		
	House renovation grants (June – prov.)		
29 Thurs.	Unemployment (June – final)	Gazette	Department of Employment
	Employment in production industries (May)		
	Overtime and short-time working in manufacturing industries (May)		
	Stoppages of work due to industrial disputes (June)		
	Bricks and cement production (June)	PN	Department of the Environment
	Energy Trends	PN	Department of Energy

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A = annually M = monthly Q = quarterly 6M = every six months.

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Air transport: trade by air (6M)	28 Nov. 1975
Balance of payments:	
current account (M)	18 June 1976
trends in invisible transactions	16 Apr. 1976
(*see also* Overseas trade of the UK)	
Bankruptcies *see* Insolvencies	
Business names and limited partnerships (A)	30 Jan. 1975
Capital expenditure: manufacturing, distributive and service industries (Q)	11 June 1976
By regions	28 May 1976
Catering trades turnover (M)	18 June 1976
Census of production (A)	2 Apr. 1976
Chemicals industry activity (Q)	2 Apr. 1976
Companies:	
acquisitions and mergers (Q)	14 May 1976
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new registrations:	
Gt. Britain (M)	4 June 1976
N. Ireland (M)	21 May 1976
rate of return on capital	24 Oct. 1975
Construction work overseas (A)	17 Oct. 1975
EEC economic indicators	4 June 1976
Energy trends (M)	4 June 1976
Engineering industries: sales and orders (M)	This week
Film industry	
British Film Fund Agency returns (M)	4 June 1976
cinema admissions and takings (M)	21 May 1976
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Footwear industry: production, orders and deliveries (M)	11 June 1976
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index numbers (M)	This week

Departmental organisations, etc.

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British commercial representations overseas	16 Apr. 1976
Customs notices of interest to exporters	4 June 1976
ECGD local offices	This week
Guide to Departments	19 Mar. 1976
Official Receivers' offices	18 June 1976
Programme of trade promotions	30 Apr. 1976
Release dates of economic statistics	This week

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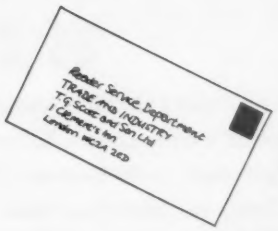

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Offers should be addressed to the Department of Trade, Room 43, at the above address in envelopes clearly marked 'Offer to Purchase "Servitor" ' and must be received not later than *noon* on 20 July 1976.

The above information is given for guidance only and any prospective purchaser must satisfy himself regarding actual details of the vessel and her present condition.

Ministry of Defence

26 June 1976 Furniture

Location: Roman Way Camp, Mersea Road, Colchester, Essex

Auctioneers: Fenn Wright Garrod Turner, 146 High Street, Colchester, Essex CO1 1PW (tel. 0206 46161)

A small sale of some 500 lots of household furniture and effects which will be sold as single items or in small quantities.

7-8 July 1976 Miscellaneous stores

Location: The Astoria, Roundhay Road, Leeds 8

Auctioneers: Bartle and Son (Dept. L), 52 Merrion Street, Leeds LS2 8JH (tel. 0532 450898)

The items on offer include a Land Rover, Ford and Morris cars, vans, mobile crane, fork lift trucks, lathes, milling, grinding and sawing machines, compressors, dynamometer, de-greasing plant, gravity rollers, lifting equipment, welding plant, various tools, wireless and signal equipment, MT spares, tyres and batteries. Carpets, bivouacs, blankets and kitbags. Household and office furniture including several hundred small lots specially lotted for the individual buyer.

14 July 1976 Furniture

Location: RAF Station, Stafford

Auctioneers: Arnold and Son, 13 Market Place, Burton-upon-Trent, Staffs DE14 1HD (tel. 0283 64657)

A small sale of some 300 lots of household furniture and effects which will be sold as single items or in small quantities.

Catalogues for the above sales which give details of the lots, conditions of sale, viewing times, etc., are available from the auctioneers from two weeks before and up to the day of the sale, price 20p postage and packing 10p extra (postal orders only).

Wembley Auction Sales 1975/76

6 July 1976

View Days:	Day preceding and morning of sale
Location:	Department of the Environment Property Services Agency Supplies Division Store India Pavilion Exhibition Grounds Wembley, Middx. Tel. 01-903 2508
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Auctioneers:	Messrs. Fuller, Horsey, Sons and Cassell 52 Bow Lane London EC4M 9ET Tel. 01-248 7954
Catalogue:	Direct from the auctioneer price 10p each

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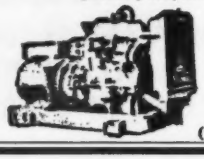

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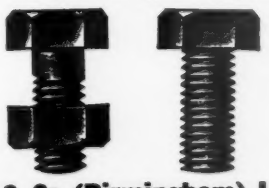

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